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# ***FORECLOSURE SALE***

## ***132 UNIT APARTMENT COMPLEX***

### ***IN BRIDGE CITY, LOUISIANA***

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## ***NORMANDY APARTMENTS***

Is offered for sale at foreclosure.

Bids will be accepted orally  
on: October 19, 2006  
at: 10 A.M. local time

at: Main Lobby  
24<sup>th</sup> Judicial District Court  
200 Derbigny  
St. Gretna, Louisiana  
70054



U. S. Department of Housing and  
Urban Development

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### ATTACHMENTS

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> <b>ATTACHMENT A</b> - Property at a Glance  | <input checked="" type="checkbox"/> <b>ATTACHMENT D</b> - Letter of Credit (LoC) Sample                              |
| <input checked="" type="checkbox"/> <b>ATTACHMENT B</b> - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder | <input checked="" type="checkbox"/> <b>ATTACHMENT E</b> - Repair Summary and narrative and Environmental Information |
| <input checked="" type="checkbox"/> <b>ATTACHMENT C</b> - Foreclosure Use Agreement   | <input checked="" type="checkbox"/> <b>ATTACHMENT F</b> - Certification of Substantial Compliance                    |

### PROCEDURES AND FORMS REQUIRED TO COMPLETE BID AND PURCHASE

#### New Procedure Requirements – Previous Participation Certification

HUD's Active Partners Performance System (APPS) allows for the electronic submission of **Previous Participation Certification Form HUD-2530** on HUD's Secure Systems Internet site. Registration to use HUD's APPS and Secure Systems is a two-step process. All potential bidders registering for the first time in APPS should do so at least two weeks prior to the sale. Be advised that after registration in these systems, it takes approximately two weeks to receive the User/Coordinator ID. It is suggested that potential bidders register in these systems prior to the sale date. Please note that registration is not mandatory in order to bid at the foreclosure sales. However, bidders must comply with registration and 2530 requirements as outlined in ATTACHMENT B, TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER, Rider 1. For more information see Section 1 – Introduction and General Information, Section 2 – Previous Participation Certification and Section 4 – Submission of Post Bid Documents.

**THESE FORMS ARE AVAILABLE AT [http://www.hudclips.org/sub\\_nonhud/html/forms.htm](http://www.hudclips.org/sub_nonhud/html/forms.htm) OR CLICK ON THE URL BELOW TO OBTAIN THE FORM**

<input checked="" type="checkbox"/>	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/92417.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/92417.pdf</a>
<input checked="" type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Form HUD-935.2) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/935-2.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/935-2.pdf</a>
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9832.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9832.pdf</a>
<input checked="" type="checkbox"/>	Management Certification for Multifamily Housing Projects (Form HUD-9839 A) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-a.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-a.pdf</a>
<input checked="" type="checkbox"/>	Management Certification for Multifamily Housing Projects (Form HUD-9839 B) <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-b.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-b.pdf</a>
<input type="checkbox"/>	Project Owner's/Borrower's Certification (Form HUD-9839 C) - For elderly housing projects managed by Administrators only <a href="http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-c.pdf">http://www.hudclips.org/sub_nonhud/html/pdfforms/9839-c.pdf</a>

## SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **DEFINITION OF INVITATION FOR BID** - This document, including attachments, exhibits, and any amendment thereto, constitute the Invitation for Bid (Invitation) for **Normandy Apartments**, FHA Number; **064-44003**. PROPERTY AT A GLANCE, Attachment A to this Invitation, contains a summary of facts, figures, and most terms of the sale. This Invitation also includes **information concerning Previous Participation Certification (Form HUD-2530) requirements** and a list of the forms necessary to complete a responsive bid.
  2. **BID RESPONSIVENESS** - A bid must be responsive to the terms of the sale. To be considered for award, a bid must comply in all material respects with this Invitation. Each bid on its face shall be firm, unconditional, responsive, fixed in one amount certain, and not in the alternative. Special conditions, alterations, or deletions will render a bid non-responsive. The terms of the foreclosure sale are those set out in the Invitation for Bid, especially the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder (Acknowledgment) and Foreclosure Sale Use Agreement. Lack of earnest money deposit, as required by this Invitation, will be cause for bid rejection.
  3. **SALE TO HIGHEST QUALIFIED BIDDER** - Sale of this project will be made to the highest responsive, qualified Bidder.
  4. **NO REDEMPTION PERIOD** - This sale is not subject to redemption by the previous owner.
  5. **BID ACCEPTANCE OR REJECTION** - HUD reserves the right to reject any and all bids, to waive any informality in any bid received, and to reject the bid of any Bidder HUD determines lacks the experience, ability or financial responsibility needed to own the project and to provide management acceptable to HUD.
  6. **CANCELLATION OF SALE** - HUD reserves the right to cancel this Invitation for Bid and/or reject any and all bids.
  7. **BIDDER'S DUE DILIGENCE** - Bidders are encouraged to perform their own due diligence to gain a full understanding of the project and the conditions of sale before submitting a bid.
  8. **POST-CLOSING REQUIRED REPAIRS** - Repair requirements that must be completed after closing, if applicable to this sale, are included in the Form HUD-9552, Post-Closing Repair Requirements, and Exhibits, Attachment E, to this Invitation. The repair requirements listed in Attachment E survive the sale and will be recorded with the Deed. **NOTE:** the Form HUD-9552 and exhibits reflect **cost estimates** of the required repairs.
- While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and HUD makes no warranty as to the accuracy of such information. The failure of any Bidder to inspect, or be fully informed as to the condition of all or any portion of the property being offered, or condition of sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.
9. **RECORDATION OF CERTAIN DOCUMENTS** - Attachment E, Post Closing Repair Requirements (Form HUD 9552) and attachments, if provided herein, and Attachment C, with riders, if provided herein, will be recorded with the Deed.
  10. **SOURCE FOR ADDITIONAL INFORMATION** - Should you need further information, please call the contact person indicated in the Property at a Glance.

## SECTION 2 –PREVIOUS PARTICIPATION CERTIFICATION

**PREVIOUS PARTICIPATION FOR PARTICIPANTS IN THE MULTIFAMILY PROGRAMS- New Procedure Requirements** - Participants in Multifamily foreclosure sales, either as purchasers or management agents are required to register in HUD's Active Partners Performance System (APPS) which allows for the electronic submission of Previous Participation Certification Form HUD-2530 on HUD's Secure Systems Internet site.

**Registration is not mandatory in order to bid at the foreclosure sale. However, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale. For instructions on registering in the APPS and HUD's Secure System click on the following link:**

<http://www.hud.gov/offices/hsg/mfh/pd/genbkits.cfm>

Be advised, that if a Management Agent will be participating in the management of the property, or if you are changing principals, adding principals, changing the name, or changing tax identification, it is the high Bidder's responsibility to ensure that all participants register and complete the 2530 process within the prescribed timeframes.

**Failure of any participant to submit a Previous Participation Certification (HUD Form 2530) or other required documents within the indicated time frame shall be grounds for rejection of the bid.**

## SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL** - In order to submit a responsive bid to this Invitation, a Bidder must submit the items indicated in this Section. All the required forms are listed.
2. **BIDDING AT THE FORECLOSURE SALE** -
  - (a) The foreclosure sale is an oral, open bid sale that takes place at the date, time and place indicated in the attached Property at a Glance.
  - (b) The Bidder must either:
    - (i) State a bid price orally at the sale, **or**
    - (ii) Submit a written bid to the person that conducts the sale two (2) business days before the date of sale.Written bids, if received, will be read aloud at the sale before oral bids are accepted. Only the person that submitted the written bid, or an agent thereof may raise a written bid price. Please call the contact person indicated in the Property at a Glance for details regarding submitting a written bid.

### 3. ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE

#### (a) Earnest Money Deposit:

- (i) The earnest money deposit, for not less than the amount specified in the Property at a Glance, must be submitted prior to presenting an oral or written bid.
- (ii) The deposit must be in the form of a money order, certified, cashier's or other banker's check payable to:  
**THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
- (iii) No other method of payment for the earnest money deposit is acceptable
- (iv) A financial organization submitting a bid on its own behalf must have the earnest money deposit drawn on a separate financial organization.
- (v) Lack of proper deposit will be cause for rejection of the bid by HUD.
- (vi) Immediately following the sale, earnest money will be returned to those whose bids have been rejected.

#### (b) Acknowledgment - Immediately after the foreclosure sale has been completed, the high Bidder must submit **ONE** signed copy of the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder to the person that conducts the foreclosure sale.

- 4. **CORRECTIONS** - Any changes or erasures made to a written bid may be made by the Bidder only and must be initialed.
- 5. **TELEGRAPHIC OR FACSIMILE BIDS** - Telegraphic or facsimile bids and/or bid modifications will not be considered for award.
- 6. **VERBAL NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER** - The high and second high Bidder will be notified verbally of their bidding positions by the person that conducts the foreclosure sale immediately after the foreclosure sale is completed.
- 7. **REJECTION OF LOWER BIDS** - All bids other than the high bid will be rejected verbally at the foreclosure sale by the person that conducts the foreclosure sale.

### SECTION 4 - POST FORECLOSURE SALE PROCEDURES

- 1. **CONTINUATION OF OFFERS** - The high bid shall be deemed to be a continuing offer from the time of the foreclosure sale until closing or bid rejection by HUD. The second high bid shall be deemed to be a continuing offer until execution of the Foreclosure Sale Use Agreement or until thirty (30) days after the foreclosure sale, whichever occurs first, unless HUD and the second high Bidder mutually agree to extend the offer. After the above activities have occurred, or the extension agreement has ended, the bid will be deemed to have expired.

#### 2. SUBMISSION OF POST-BID DOCUMENTS

##### ➤ TWO (2) DAYS AFTER FORECLOSURE SALE - (FEDERAL WORKING DAYS)

##### 1. Previous Participation Certification:

- a. **Bidders not registered in APPS and Secure Systems:** The high Bidder must register in the **Active Partners Performance System (APPS)** which allows for the electronic submission of Previous Participation Certification (form HUD-2530) **and** the HUD's Multifamily Secure Systems **not later than two (2) Federal Government working days** after being verbally notified at the foreclosure sale of being the high Bidder. Please refer to SECTION 2, PREVIOUS PARTICIPATION above for instructions.
- b. **Bidders previously registered in APPS and Secure Systems:** The high Bidder must enter the APPS system and print a copy of the Participant Detail page. That copy must be faxed to the Realty Specialist at (817) 978-5855.

##### 2. Certification of Substantial Compliance – the **complete and original** (Attachment F) must be received in the Fort Worth HUD office within 2 days of the foreclosure sale date.

##### ➤ TEN (10) DAYS AFTER FORECLOSURE SALE - (FEDERAL WORKING DAYS) Not later than ten (10) Federal Government working days after being verbally notified at the foreclosure sale of being the high Bidder, the Bidder must, if checked below, submit additional information to the contact person listed in the Property at a Glance.

- ☒ Affirmative Fair Housing Marketing Plan (Form HUD 935.2)
- ☒ Form HUD- 2530 for Purchasing Entity, if different from bidding entity, **See Section 2 for procedure**
- ☒ Form HUD- 2530 for the Managing Agent, if Applicable, **See Section 2 for procedure**
- ☒ Personal Financial and Credit Statement (Form HUD 92417) - For each proposed principal and/or general partner
- ☒ Management Entity Profile (Form HUD 9832)
- ☒ Management Certification (Form HUD 9839 A)
- ☒ Management Certification (Form HUD 9839 B)
- ☐ Project Owner's/Borrower's Certification (Form HUD 9839 C) - For elderly housing projects managed by Administrators only

- ☒ Bidders Property Management Statement  
The Bidder must complete and submit written statements of how the purchaser will:
  - (i) Satisfy the condition of the disposition; and show experience in operating/managing and administration of properties of the type and nature as the property being offered in this sale.
  - (ii) Implement a sound financial and physical management program;
  - (iii) Respond to the needs of the tenants and work cooperatively with resident organizations; and
  - (iv) Provide adequate organizational staff and resources to the project.
- ☒ Statement of the services, maintenance and utilities that the bidder proposes to provide.

##### ➤ FIFTEEN (15) DAYS AFTER FORECLOSURE SALE - The high Bidder (owning entity) must electronically file the 2530 within 15 days of the foreclosure sale and fax a printed copy of the 2530 Submission Package to the

**FAILURE TO SUBMIT THE REQUIRED DOCUMENTS WITHIN THE INDICATED TIME FRAME SHALL BE GROUNDS FOR REJECTION OF THE BID. HUD RESERVES THE RIGHT TO REJECT THE BID AND RETAIN THE BIDDER'S EARNEST MONEY DEPOSIT.**

**3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID**

- (a) HUD will review the high Bidder to determine if qualified to purchase the project.
  - (i) If HUD approves the high Bidder as being qualified, the high Bidder will be confirmed as and identified as the Purchaser.
  - (ii) If the high bid is rejected due to HUD's determination that the high Bidder is not qualified to purchase the project, HUD will notify the high Bidder in writing.
- (b) If HUD rejects the high Bidder, and HUD elects to contact the second high Bidder, the second high Bidder will be given twenty-four (24) hours to submit the earnest money deposit and will be reviewed to determine if qualified to purchase the project.
  - (i) If HUD approves the second high Bidder as being qualified, second high Bidder will be confirmed as and identified as the Purchaser.
  - (ii) If the second high bid is rejected due to HUD's determination that the second high Bidder is not qualified to purchase the project, HUD will notify the second high Bidder in writing.
- (c) HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual indicated in the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder.
- (d) The written rejection of the bid will be made as promptly as possible and generally within thirty (30) days after the date of the foreclosure sale.

**4. HANDLING OF THE EARNEST MONEY DEPOSIT**

- (a) The earnest money deposit of the high Bidder will be held until HUD determines the high bid/Bidder to be acceptable. If HUD does not accept the high bid, the high Bidder's earnest money will be refunded, unless Bidder has failed to comply with the provisions outlined in Attachment B, Acknowledgement by Bidder, Rider 1, "Previous Participation Certification and Submission of Documents Prior to Closing".
- (b) Interest will not be paid on earnest money deposits.

**5. REVIEW OF PROJECT MANAGEMENT** - HUD will review the forms submitted as required by Rider 1, Attachment B, Terms and Requirements of Foreclosure Sale - Acknowledgement By Bidder, for accuracy and to ensure they reflect Bidders qualifications to operate/manage/administrate property of the nature in this sale. HUD may elect to discuss project management plans after submission of the post-bid documents by the high Bidder. HUD reserves the right to reject the bid of any Bidder and retain the Earnest Money Deposit, if the Bidder does not provide management acceptable to HUD.

**6. CLOSING DATE REQUIREMENT** - The closing date will take place within the time period specified, in accordance with the Acknowledgment, Attachment B.

**7. EXTENSION OF CLOSING** - The right to extend the sales closing is expressly reserved by HUD as set forth in the Acknowledgment, Attachment B.

**SECTION 5 - CLOSING**

**1. EXECUTION OF USE AGREEMENT** - The Bidder must execute Attachment C, "Foreclosure Sale Use Agreement," at closing. HUD will then execute the Agreement.

**2. CLOSING DATE AND PLACE** - The closing date and place shall be as determined by the person that conducts the foreclosure sale and/or HUD. The Bidder will be notified of said date and place by the person conducting the foreclosure sale.

**3. CASH DUE AT CLOSING** - Cash due at closing is the remainder of the purchase price less the earnest money deposit received, plus or minus any prorations. Cash due at closing includes all initial deposits to reserve accounts, if applicable.

**4. PRORATIONS** - There will be no prorations except for the proration of property taxes prepaid by HUD, if any. High bidder is responsible for paying all outstanding property taxes and utility bills including, but not limited to, water/sewer, gas, electric, ect, as well as any other liens/assessments encumbering the property not extinguished by the foreclosure sale action.

**5. CLOSING EXPENSES** - Irrespective of local custom, the Bidder shall pay all closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance as may be requested by the Bidder. HUD will pay for all recording costs.

**6. METHOD OF PAYMENT** - Cash due at closing shall be paid in the form of a money order, certified, cashier's or other bank check made payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**, in accordance with the Acknowledgment, Attachment B.

**7. LETTER OF CREDIT** - If Post-Closing Repair Requirements described in Attachment E are included in this sale, the Bidder, at closing, shall provide HUD with an unconditional, irrevocable, and nondocumentary Letter of Credit (LoC), or a group of no more than five (5) LoCs, in the amount stated in the Property at a Glance. Such LoCs shall expire no earlier than six (6) months after completion of the stated required repairs. HUD will release the

undrawn balance in the LoCs six (6) months after completion of repairs. Such undrawn balance shall be of an amount equal to ten percent (10%) of the original total amount of the LoCs.

8. **CONVEYANCE** - Conveyance of the project shall be by Special Warranty Deed from the person that conducts the foreclosure sale. The deed will not contain any warranty of title.
9. **RECORDATION OF DEED** - HUD shall record the Deed and all other recordable documents. All recordation costs shall be at the expense of HUD.

10. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING**

- ☒ **Foreclosure Sale Use Agreement**      ☒ **Letter(s) of Credit**      ☒ **Closing Statement**  
☐ **Other:**

**SECTION 6 - DISCLAIMERS**

1. **DISCLAIMER**

- (a) Bidders interested in purchasing this project are expected to acquaint themselves with the property, and to arrive at their own conclusions as to; physical condition, number and occupancy of revenue producing units, estimates of operating costs, repair costs (where applicable), and any other factors bearing upon valuation of the property. Any bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation for Bid and in any Addendum hereof.
- (b) While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and HUD makes no warranty as to the accuracy of such information. The failure of any Bidder to inspect, or be fully informed as to the condition of all or any portion of the property being offered, or condition of sale, will not constitute ground for any claim or demand or adjustment or withdrawal of a bid.

2. **UNAUTHORIZED ORAL STATEMENT OR MODIFICATIONS** - Any oral statement or representation by any representative of HUD changing or supplementing this Invitation for Bid or Addendum hereof, or any condition hereof, is unauthorized and shall confer no right upon the Bidder (Purchaser).

3. **HUD LIABILITY** - In any case, with respect to any claim against HUD, the extreme measure of HUD's liability shall not, in any event, exceed refund of the purchase price, or such portion thereof as HUD may have received.



# Property at a Glance

## Normandy Apartments

ADDRESS: **1429 Utah Beach Dr.**  
**Bridge City, LA 70094**  
COUNTY: **Jefferson**

EARNEST MONEY: **\$75,000**  
LETTER OF CREDIT: **\$306,421**

SALES PRICE: **Unstated Minimum**  
TERMS: **All Cash, 30 days to close**  
SALE TYPE: **Foreclosure**

### PROPERTY INFORMATION

Total Units			Foundation: <b>Concrete Slab</b>	
Residential			Roof: <b>Composition Shingle</b>	
Commercial			Exterior: <b>Brick Veneer / Wood Siding</b>	
<b>132</b>	Revenue <b>130</b>	<b>0</b>	Floors/Finish: <b>Carpet / Vinyl Tile</b>	
	Non-Revenue <b>2</b>			

Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other:
	<b>X</b>	<b>X</b>							

Number of Buildings	Stories	Year Built	Rehab Year	Site Acreage	Approximate Net Rentable Area
<b>10</b>	<b>2</b>	<b>1970</b>	<b>N/A</b>	<b>unknown</b>	<b>100,614</b>

### Mechanical Systems

Heating:		Air Conditioning	
Fuel	<b>Gas</b>	Windows	<b>Individual</b>
System	<b>Individual</b>		<b>Screen</b>
Hot Water:			
Fuel	<b>Gas</b>		
System	<b>Individual</b>		

### Utilities

Public Water	<b>X</b>
Gas Main	<b>X</b>
Electric	<b>X</b>
Sanitary Sewer	<b>X</b>
Storm Sewer	
Septic Tank	

### Parking

Street	<b>Concrete</b>
Curb	<b>Concrete</b>
Sidewalk	<b>Concrete</b>
Parking Lot	<b>Concrete</b>
Parking Spaces	<b>5 Lots</b>
	<b>100</b>

### Apartment Features

<b>X</b>	Air Conditioning
	Dishwasher
	Microwave
	Garbage Disposal
<b>X</b>	Refrigerator
<b>X</b>	Range/Oven
<b>X</b>	Drapes/Blinds

### Community Features

	Garage
	Covered Parking
<b>X</b>	Laundry Facility
	Cable/Sat Hookup
	Playground
	Pool
	Community Space

### Owner Expense

<b>Gas</b>
<b>Water / Sewer</b>

### Tenant Expense

<b>Electricity</b>

### OCCUPANCY / See Comments

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006							70%					

### ESTIMATED ANNUAL RENTAL INCOME:

Number of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Total Estimated/Possible Annual Income	
<b>26</b>	<b>1</b>	<b>591</b>	<b>440</b>	<b>440</b>	<b>11,440</b>	Rent	<b>\$769,920</b>
<b>76</b>	<b>2</b>	<b>789</b>	<b>480</b>	<b>480</b>	<b>36,480</b>	Commercial	
<b>28</b>	<b>3</b>	<b>903</b>	<b>580</b>	<b>580</b>	<b>16,240</b>	Parking	
						<b>TOTAL</b>	<b>\$769,920</b>
						<b>Estimated Annual Expenses</b>	
						Administrative	<b>\$118,725</b>
						Utilities	<b>93,571</b>
						Operating	<b>130,798</b>
						Taxes/Insurance	<b>132,810</b>
						Reserve/Replace	<b>39,000</b>
<b>TOTAL MONTHLY</b>					<b>64,160</b>	<b>TOTAL</b>	<b>\$514,904</b>

### COMMENTS CONCERNING PROPERTY INFORMATION:

1. The two non-revenue units are being used as a rental office and maintenance shop.
2. The property was vacated due to Hurricane Katrina. Normandy's mgr. stated that 70% of the units are re-occupied.
3. HUD utilized pre-Katrina rents for Estimated / Possible After Sale Rents due to unstable market conditions.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.



## USE RESTRICTIONS

20 Years affordable housing. N/A Years rent cap protection for N/A residents.

**HUD will not offer Tenant Based Section 8 Vouchers with this foreclosure sale.**

## TERMS OF SALE

The purchaser must complete the repairs to HUD's satisfaction within 12 months after closing. The repairs are estimated to cost \$1,225,684.

The purchaser must complete demolition to HUD's satisfaction within N/A months after closing. The demolition is estimated to cost N/A.

Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$19.46 per unit per day for each 30 day period.

1. Deed restrictions: Affordability of Units, Required Rehabilitation, Lead Based Paint Hazards, Asbestos Hazards, Mold Hazards, Nondiscrimination Against Section 8 Certificates and Voucher Holders.

### **PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.**

**This is an "All Cash – As Is" sale.** HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

**Submission of Bids:** Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

**Suspended or Debarred Parties:** No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.905.)

### ***INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS***

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at

<http://www.hud.gov/offices/hsg/mfh/pd/multifam.cfm>.

You may also sign up for our electronic mailing list at this web address. If you do not have access to the internet or can not download a PDF file, you may obtain a bid kit by calling (570) 387-8942, or faxing (570) 387-3303, or by email to [hud@mailroometc.com](mailto:hud@mailroometc.com).

BIDS for **Normandy Apartments**  
MUST BE PRESENTED ON:

**October 19, 2006**

at: 10:00 a.m. local time at:

Main Lobby

24<sup>th</sup> Judicial District Court

200 Derbigny

St. Gretna, LA 70054

HUD OFFICE:  
HUD/Texas State Office  
Ft. Worth MF PD Center  
801 Cherry Street  
Ft. Worth, TX 76102

REALTY SPECIALIST:  
Robert Laquey  
Phone : (817) 978-5819  
[robert\\_h.\\_laquey@hud.gov](mailto:robert_h._laquey@hud.gov)



## ATTACHMENT B

### TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

#### PART I

BID PRICE - The Undersigned, \_\_\_\_\_, (the "Bidder") submits a bid of dollars (\$) \_\_\_\_\_ at the foreclosure sale of **Normandy Apartments** (the "Project"), the legal description of which is included as Exhibit A, to be paid as follows:

1. \$ **75,000** in the form of a money order, cashier's or other bank check, as earnest money, which has been paid at the foreclosure sale to the person that conducts the foreclosure sale, and which shall not earn interest (the "Deposit"), **and**
2. \$ \_\_\_\_\_ the balance, to be paid by the Bidder at Closing, in the form of a cashier's or other bank check in accordance with this Acknowledgment. The Closing will be held at a place, date and time established in accordance with Section 5 below (the "Closing").
3. In addition to the above, the Bidder will be required to pay at Closing all closing costs, regardless of local custom, and, where applicable, other deposits to reserve and/or letters of credit as described in Riders incorporated herein, the Invitation for Bid (Invitation), and the Foreclosure Sale Use Agreement (Use Agreement).

#### PART II

If selected as the high Bidder at or after the foreclosure sale, the Bidder, by executing this document (the "Acknowledgment"), acknowledges that the Bidder must comply with the following requirements as a condition to purchasing the Project:

1. **ACKNOWLEDGMENT OF TERMS** - Bidder affirms to have full knowledge of the all terms, conditions and requirements contained in this Acknowledgment and documents referred to herein, the invitation and Attachments, and the Notice of Default and Foreclosure Sale. Bidder must execute this document.
2. **EXECUTION OF USE AGREEMENT** - At Closing, Bidder will, in addition to any other documents, execute the Foreclosure Sale Use Agreement and all of the Exhibits to the Use Agreement as contained in the Invitation to Bid. Such documents will control the use of the Project for a specified period and will be recorded with the Deed and run with the land.
3. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE** - The high bidder must also provide Certification to HUD (within two days of the foreclosure sale date) that any other projects that are owned by the high bidder or its affiliates and are located in the same jurisdiction as the project are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high bidder. If HUD determines in its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high bidder and retain the Earnest Money Deposit (see Attachment F).
4. **PREVIOUS PARTICIPATION CERTIFICATION** -
  - (a) **Two Days following Foreclosure Sale:** The high Bidder must submit **within two** (2) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder has registered in APPS and Secure Systems. This certification can be in the form of a copy of the Participant Successfully Registered page from the APPS system **and** a copy of the Multifamily Coordinator and User Registration page from Secure Systems **or** a copy of the Participant Detail page (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4 for printing instructions). The high Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system.
  - (b) **Fifteen Days following Foreclosure Sale:** The high Bidder must submit within fifteen (15) Federal Government working days of the foreclosure sale, certification to HUD that the Bidder (owning entity) has completed the 2530 submission process in APPS. This certification must be in the form of a printed copy of the 2530 Submission Package (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4).
5. **ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE**
  - (a) Time is of the essence.
  - (b) HUD will notify the Bidder and the person conducting the foreclosure sale (the "Foreclosure Official") after HUD determines that the Bidder has been approved to purchase this project under the Previous Participation Certification procedure. (Approval to purchase is subject to review and approval of HUD forms as required for purchase in Section 4, Paragraph(s) 2 and 5, and in Attachment B, Terms and Requirements of Foreclosure Sale, Acknowledgment by Bidder specifically the Rider "Submission of Documents Prior to Closing" and applied as checked.) The Foreclosure Official will establish a time and date for the Closing. The Closing **shall be within thirty (30) days of such notification**, unless extended pursuant to Section 8.
  - (c) The Closing will take place at the HUD office stated in the Invitation or at such other place as may be agreed upon between HUD and the Foreclosure Official.
6. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION**
  - (a) The sale shall be effective upon Closing.
  - (b) Bidder (Purchaser) shall pay all closing costs and expenses, excluding fees for recording the deed and Use Agreement, irrespective of local custom.
  - (c) Transfer of title to and possession of the Property shall become effective as of the Closing.

7. PAYMENT OF PURCHASE PRICE AT CLOSING - The Bidder (Purchaser) shall pay the balance at Closing in the form of a cashier's or other bank check made out to:

**THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

The Closing will be held at a place, date and time established in accordance with Section 5 above.

8. LIQUIDATED DAMAGES - Should Bidder fail or refuse to perform all obligations under this Acknowledgement for any reason including, but not limited to, failure to establish the legal entity that is to take title in a timely manner that permits Closing within the deadline set forth in Section 5, the earnest money deposit and any extension fees, paid under Section 8, shall be remitted to and retained by HUD as liquidated damages.
9. EXTENSION FEES – Extensions of time to close the sale are within HUD's sole and absolute discretion. Any extensions, if granted, will be on the following conditions:
- (a) A written request for an extension must be received at the HUD office located at: Department of Housing and Urban Development, 801 Cherry Street, Ft. Worth, TX 76102 within ~~ten~~ **(10)** days prior to the prescribed closing date, or within any extension period and **must be accompanied by the payment** of the required extension fee. The request must state the reason for Bidder's inability to close the sale within the initial period or any extended period.
  - (b) Extensions shall be for thirty (30) days.
  - (c) For each thirty (30) day period requested by Bidder and approved by HUD, extension fees shall be equal to **\$ 19.46**, per unit, per day, which is **\$ 2,529.80** daily, a cost of **\$ 75,894.00**, which covers the 30-day period (the holding cost for such period) or one and one-half percent (1.5%) of the purchase price, whichever is greater.
  - (d) These fees shall be retained by HUD and shall not be credited to the amount due from Bidder at Closing. However, if Bidder closes prior to the expiration of an extension period, the prorated amount of the extension fee, for the unused portion of the extension period, shall be credited toward the amount due from Bidder at Closing.
  - (e) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
  - (f) If any form or instrument required by HUD is not submitted within sufficient and reasonable time for HUD's review or processing and such delay necessitates an extension of the Closing deadline, an extension fee must be paid for this period.
  - (g) Extension Fees must be submitted by money order, certified, cashier's or other bank check acceptable to HUD.
10. BIDDER RESTRICTIONS
- (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this sale, or to any benefit arising from it. However, this provision does not apply to this sale to the extent that this sale is made with a corporation for the corporation's general benefit.
  - (b) If Bidder is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this sale shall be terminated. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after Bidder's execution of this Acknowledgment, any extension fees paid under Section 8 shall be retained by HUD as liquidated damages.
  - (c) Pursuant to 24 CFR Section 27, the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the multifamily mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the property being foreclosed by the Department under this subpart or any other provision of law. A "principal" and an "affiliate" are defined as provided at 24 CFR 24.905.
11. AS-IS SALE; NO REPRESENTATIONS
- (a) Bidder shall accept the Property "as is." HUD makes no representations or warranties concerning the physical condition of the Property. In addition, HUD does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Property.
  - (b) Bidder acknowledges that the purchase price set forth in this Acknowledgment is based on Bidder's evaluation of the project and not upon any representations by HUD. Bidder's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this sale or for the return of any extension fees paid pursuant to Section 8.
12. RISK OF LOSS AND RIGHTS OF RESCISSION - In the event of any substantial damage to the Project prior to closing by any cause including, but not limited to, fire, flood, earthquake, tornado and significant vandalism other than willful acts or neglect, HUD, in its sole discretion, may negotiate with the Bidder for a reduction in the sales price corresponding to the estimated amount of damages. Such damages shall be added to the Post-Closing repair requirements, HUD Form - 9552 included in the Invitation. If HUD and the Bidder are unable to agree on the amount by which the purchase price should be reduced or on the amendment to the repair requirements, Bidder may withdraw the bid, in which case HUD will direct the return of the earnest money deposit and any extension fee(s) will be returned.

13. PRORATIONS

- (a) Except, as set forth in paragraph (b) below, there will be no prorations at Closing. The Bidder will be responsible for those expenses incurred at the Project after Closing, as well as expenses which may be due and payable at the time of Closing. *Please note that expenses after closing may be inclusive of prior or unpaid services for utilities, assessments and/or liens which are not extinguished by the foreclosure action. Prospective purchasers are required to determine outstanding expense/assessments/liens as part of their due diligence and take those outstanding expenses into consideration when submitting bids..*
- (b) At Closing, the Bidder will pay the Foreclosure Official a prorata share of any property taxes on the Project which have been paid for a period of time ending after the date of Closing. The Bidder will be responsible for paying in full, all taxes, that come due after Closing. Taxes paid by the Bidder after Closing will not be prorated, even if those taxes are for a period, which began prior to Closing.
- (c) No later than fifteen (15) days before Closing, HUD will notify the Bidder of the amount the Bidder is to pay the Foreclosure Official as the prorata share of taxes.

14. SECURITY DEPOSITS - APPLICATION AS CHECKED:

- ☒ Notwithstanding State or local law, the Bidder will receive only those security deposits which are on hand at the Project on the date of Closing. The Bidder will assume all liability under State and local law with respect to security deposits.
- ☐ Any security deposits collected from tenants and paid over to HUD prior to the Closing shall be transferred and assigned to Bidder within fifteen (15) days after the closing, with the exception of security deposits which have been forfeited by the tenant in accordance with the terms of the tenant's lease. Notwithstanding State and local law, no other security deposits collected from tenants will be transferred by HUD to Bidder and HUD has no other liability under State and local law with respect to security deposits. Bidder agrees to assume all responsibility and liability under State and local law with respect to the collection, application and return of security deposits.

15. LIMITATION OF LIABILITY - Notwithstanding any other provisions of this sale, HUD's liability shall not exceed the amount of funds paid by Bidder to HUD and/or the Foreclosure Official hereunder.

16. ANTI-COLLUSION CERTIFICATION

(a) The Bidder certifies:

- (i) The bid price in this offer has been arrived at independently, without (for the purposes of restricting competition) any consultation, communication, or agreement with any other Bidder relating to:
- a. the bid price;
  - b. the intention to submit a bid price; **or**
  - c. the methods or factors used in calculating the bid price offered;
- (ii) The bid price in this offer has not been and will not be knowingly disclosed by the Bidder, directly or indirectly, to any other Bidder or competitor before or during the actual time of the bid event, unless otherwise required by law; **and**
- (iii) No attempt has been made or will be made by the Bidder to induce any other Bidder to submit or not to submit a bid price for the purpose of restricting competition.

(b) If the bid procedure requires or permits written bids, each signature on the offer is considered to be certification by the signatory that the signatory:

- (i) Is the person in the Bidder's organization responsible for determining the bid price being offered in this bid and that the signatory has not participated and will not participate in any action contrary to paragraph (a) above; **or**
- (ii) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraph (a), above;

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization responsible for determining price \_\_\_\_\_

- a. As an authorized agent, does certify that the principals named in the above have not participated, and will not participate, in any action contrary to paragraph (a) above; and
- b. As agent, has not personally participated, and will not participate, in any action contrary to paragraph (a) above.

17. FAILURE TO COMPLY - Upon the failure or refusal of the Bidder to comply with any of the requirements listed above, HUD may declare the Bidder ineligible to purchase the Project, in which case Bidder shall forfeit the earnest money deposit and any extension fees paid.

18. SEVERABILITY - If for any reason one or more of the provisions contained in the Invitation, including this Acknowledgment, the Use Agreement, or any other attachments or exhibits thereto, shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision(s) of the Invitation, but the Invitation shall be construed as if such invalid, illegal or unenforceable provision(s) had never been included therein.

19. FORMS - All forms and instruments referred to in this Acknowledgment are the standard Form HUD and instruments prepared by HUD and used by HUD in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by the Invitation for Bid or Request for Proposals.

20. EXECUTION

- (a) By signature below, Bidder indicates acknowledgment of and agreement to the terms and requirements of this foreclosure sale.
- (b) In the case of a bid submitted by an agent or representative of the Bidder, the signatory attests to be duly authorized to submit the bid on behalf of the Bidder and to execute this Acknowledgment.

**WARNING:** It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

Executed by the Bidder on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness: \_\_\_\_\_

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, ST Zip: \_\_\_\_\_

Phone No. with Area Code: (\_\_\_\_)\_\_\_\_ - \_\_\_\_\_

RIDER 1 OF 2  
**PREVIOUS PARTICIPATION CERTIFICATION AND  
SUBMISSION OF DOCUMENTS PRIOR TO CLOSING**

**Certification of Substantial Compliance**

**Required within two (2) Federal business days of the foreclosure sale date:** The high bidder must also provide Certification to HUD that any other projects that are owned by the high bidder or its affiliates and are located in the same jurisdiction as the project are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high bidder. If HUD determines in its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high bidder and retain the Earnest Money Deposit (see Attachment F).

**Previous Participation Certification Requirements**

**Required within two (2) Federal business days of the foreclosure sale date:**

**For First Time Participants:** If you or your company are not registered in HUD's Active Partners Performance System (APPS) and/or HUD's Secure Systems, not later than **two (2)** Federal business days after verbally notified at the foreclosure sale of being the high Bidder, the Bidder must register in APPS, which allows for the electronic submission of the Previous Participation Certification Form HUD 2530 and Secure Systems as outlined in Section 2 of the Invitation to Bid. Bidder must fax a copy of the Participant Successfully Registered page from the APPS system and a copy of the Multifamily Coordinator and User Registration page from the Secure Systems registration to the Realty Specialist identified in the Property at a Glance to (817) 978-5855.

After receiving a Coordinator/User ID, participant must reenter the APPS system and complete the 2530 application process. Not later than **fifteen (15)** Federal business days after verbally notified at the foreclosure sale of being the high Bidder, the high Bidder must fax a copy of the 2530 Submission Package from the APPS system to the Realty Specialist identified in the Property at a Glance to (817) 978-5855.

**For Participants Registered in APPS and Secure Systems:**

Not later than **two (2)** Federal business days after verbally notified at the foreclosure sale of being high Bidder, the Bidder must fax a copy of the copy of the Participant Detail page to the Realty Specialist identified in the Property at a Glance to (817) 978-5855.

**Required within fifteen (15) Federal business days of the foreclosure sale date:**

Not later than **fifteen (15)** Federal business days after verbally notified at the foreclosure sale of being the high Bidder, the high Bidder must fax a printed copy of the 2530 Submission Package from the APPS system to the Realty Specialist identified in the Property at a Glance to (817) 978-5855.

**NOTE:** Any change in ownership entity will require changes (updating) in the APPS system. Participants (Bidder) must adhere to all APPS registration and submission timeframes. Delays in updating the 2530 application will **not** be grounds for delaying any closing, nor will it be grounds for approving an extension of the closing date.

**Submission of Documents Prior to Closing**

Not later than **ten (10)** Federal business days after verbally notified at the foreclosure sale of being the high bidder, the Bidder must demonstrate the ability to meet HUD requirements for purchase of the Project by submitting the documents checked below to the Realty Specialist identified on the Property At A Glance.

- ☒ Affirmative Fair Housing Marketing Plan (Form HUD 935.2)
- ☒ Personal Financial and Credit Statement (Form HUD 92417) for each principal and general partner
- ☒ Management Entity Profile (Form HUD 9832)
- ☒ Management Certification (Form HUD 9839 A)
- ☒ Management Certification (Form HUD 9839 B)
- ☐ Project Owner's/Borrowers Certification (Form HUD 9839 C) for Elderly housing projects managed by Administrators only
- ☒ Bidder's Property Management Statement\*:  
The bidder must complete and submit written statements of how the Bidder/Owner entity will:
  - a. satisfy the conditions of the sale; and show experience in operating/managing and administration of properties of the type and nature as the property being offered in this sale;
  - b. implement a sound financial and physical management program;
  - c. respond to the needs of the tenants and work cooperatively with tenant organizations; **and**
  - d. provide adequate organizational staff and resources to the Project.

- ☒ Statement of Services, maintenance and utilities that the Bidder/Owner entity proposes to provide.

\* **HUD reserves the right to review and approve/reject project management.** Within a reasonable time prior to Closing, the Bidder/Owner entity may be required to meet with officials designated by HUD at the HUD office listed in this Invitation and/or the local HUD Office to discuss the Bidder's/Owner entity's plans for managing the Project. If HUD determines that the Bidder/Owner entity is unqualified to self-manage the Project, HUD will require the Bidder/Owner entity to obtain the services of a qualified property management firm. The Bidder/Owner entity must then provide HUD with evidence that a qualified property management firm has been retained prior to Closing. If Bidder/Owner entity does not meet this obligation, HUD reserves the right to reject the bid and retain the Bidder's earnest money deposit.

Bidder's Initials: \_\_\_\_\_

Acknowledgement by Bidder

RIDER 2 OF 2  
**POST-CLOSING REPAIR REQUIREMENTS**

**REPAIR ESCROW**

At Closing, Bidder shall provide to HUD an unconditional, irrevocable and non-documentary Letter of Credit (LoC), satisfactory to HUD, in the amount of \$ **306,421.00**, with an expiration date at least six (6) months beyond HUD's estimated date for completion of repairs, to assure completion of the repairs required by the Invitation for Bid. In the event an extension for completion of repairs is granted, the LoC will be extended accordingly.

Significant repair/rehabilitation programs may be staged upon HUD approval. If repair/rehabilitation is staged, as agreed upon between the Bidder and HUD prior to Closing, up to five (5) LoCs, which represent the full LoC requirement, may be permitted. LoCs may be returned as the Bidder completes repairs and HUD has inspected and accepted the repairs. The final LoC must represent at least ten percent (10%) of HUD's total estimated repair costs and must have an expiration date that extends six (6) months beyond the completion of repair date. HUD may cash this LoC and apply the funds to correct latent defects in the completed repairs.

Bidders Initials: \_\_\_\_\_

**ATTACHMENT C**  
**FORECLOSURE SALE USE AGREEMENT**

This Agreement is entered into by \_\_\_\_\_ ("Purchaser") and the Secretary of Housing and Urban Development ("Secretary" or "HUD").

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. (the "Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to **Normandy Apartments**, HUD Project No. **064-44003**, (the "Project" or the "Property") a legal description of which is attached as Exhibit "A"; **and**

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1715z-11a(a), Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD; **and**

WHEREAS, by Deed executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, the Project has been conveyed to the Purchaser; **and**

NOW THEREFORE, in consideration of the mutual promises set forth herein and in further consideration of the sale of the Project to the Purchaser, the parties agree as follows:

1. **TERM OF AGREEMENT** - This Agreement shall be in effect,  
☒ twenty years from the date of this Agreement **or** ☐ until \_\_\_\_\_
2. **CONVEYANCE OF PROJECT**  
This paragraph ☒ **is** ☐ **is not** applicable for this property  
During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. HUD's approval of conveyance and/or the proposed purchaser's management of the property will be based on information provided in written statements of how the purchaser, or any subsequent purchaser and management, in consideration of any and all existing use restrictions, will:
  - (a) implement sound financial and physical management program;
  - (b) respond to the needs of the tenants and work cooperatively with resident organizations;
  - (c) provide adequate organizational staff and resources to manage the project.
3. **SUBJECT TO EXAMINATION** - The Project shall at all times,
  - (a) be maintained in decent, safe and sanitary condition to the greatest extent possible,
  - (b) maintain full occupancy to the greatest extent possible,
  - (c) be maintained as rental housing for the term of this Agreement.At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.
4. **UNIT NUMBER OR USE CHANGE** - Changes to the use, number, size, or configuration of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.
5. **NON-DISCRIMINATION REQUIREMENTS** - The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.
6. **HAZARD INSURANCE** - Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.
7. **DESTRUCTION OF PROJECT** - In the event that any or all of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
8. **DEMOLITION OF PROJECT PROPERTY** - The Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
9. **REMEDIES FOR NONCOMPLIANCE** - Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed to the address stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary, may be designated by the Purchaser as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice, HUD may declare a default under this Agreement and may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, and/or such other relief as may



be appropriate, since the injury to the Secretary arising from a default of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the Agreement shall not preclude the exercise of any other remedy under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not construe a waiver of the right to exercise that or any other right or remedy at any time.

10. **SUCCESSORS AND ASSIGNS** - This Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Agreement, the Purchaser will require its purchaser to assume in writing its obligations under this Agreement.

11. **RESTRICTIONS** - No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement, but this provision shall not be construed to extend to this Use Agreement if the Use Agreement is made with a corporation for its general benefit.

12 **CONTRADICTORY AGREEMENTS** - The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Agreement.

13. **SEPARABILITY** - The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.

14. **AMENDMENT** - This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.

15. **RIDERS TO THE USE AGREEMENT** - The Riders checked and initialed by the parties are attached to and incorporated into this Use Agreement and will be placed in the Deed to run with the land.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Affordability of Units                | <input type="checkbox"/> Two Year Rent Protection for Pre-Existing |
| <input checked="" type="checkbox"/> Rehabilitation and Relocation         | <input type="checkbox"/> Very- Low Income Tenants                  |
| <input checked="" type="checkbox"/> Lead-Based Paint Hazards              | <input type="checkbox"/> Historic Preservation                     |
| <input checked="" type="checkbox"/> Asbestos Hazards                      | <input type="checkbox"/> Mobile Home Park                          |
| <input checked="" type="checkbox"/> Nondiscrimination Against Multifamily | <input type="checkbox"/> Retirement Service Center                 |
| Section 8 Certificate and Voucher Holders                                 | <input checked="" type="checkbox"/> Other: Mold Hazards            |
|   | <input type="checkbox"/> Other:                                    |

IN WITNESS WHEREOF:

The Purchaser has executed this Use Agreement in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

WITNESS:

PURCHASER:

\_\_\_\_\_

By: Signature

\_\_\_\_\_

Typed Name of Purchaser

Street Address

City, State, Zip Code

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement in triplicate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

WITNESS:

FOR: THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_

Official's Typed Name

Title

**Exhibit A**  
Legal Description

THOSE CERTAIN PORTIONS OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in Section 3, Township 13 South, Range 23 East, Southeastern Land District of Louisiana, West of the Mississippi River, being a portion of the Robert Wiegand property, designated as PLOTS "B" AND "C" and a portion of ground separating said Plots "B" and "C", on a survey made by J. J. Krebs & Sons, Inc. dated December 15, 1969, last revised for purpose of resubdivision on April 29, 1970, and approved by Ordinance No. 9744 of the Jefferson Parish Council dated August 13, 1970, registered in COB 721, FOLIO 435 of the Conveyance Records of Jefferson Parish, Louisiana, and according to said survey and resubdivision, said portions of ground are more particularly described as follows, to-wit: PLOT "B" commencing at the intersection of the Easterly Line of the Robert Wiegand property projected and the Southerly Line of Bridge City Avenue (also called Louisiana Highway 2 or 30), run in a Southwesterly direction along said Easterly line on a bearing of South 19 degrees, 36 minutes, 53 seconds West a distance of 391.59 feet to the point of beginning, which is the Northeast corner of said Plot "B"; thence continuing along said Easterly line, on the same bearing, a distance of 574.12 feet to a point; thence turn right and run North 70 degrees, 23 minutes, 7 seconds West on the line dividing Plot "B" from Plot "Z-1" a distance of 187 feet to a point; thence turn right and run North 19 degrees, 36 minutes, 53 seconds East, a distance of 101.86 feet to a point; thence continuing in a Northerly direction on a line bearing North 12 degrees, 31 minutes, 34 seconds East a distance of 376.90 feet to a point; thence continuing in a Northerly direction on a line bearing North 18 degrees, 53 minutes, 53 seconds East, a distance of 98.25 feet to a point, which is the Northwest corner of said Plot "B" ; thence turn right and run South 70 degrees, 23 minutes, 07 seconds East a distance of 234.74 feet to the boundary line dividing the property of Robert Wiegand from the Quinette property and the point of beginning.

PLOT "C" commencing at the intersection of the Westerly Line of the Robert Wiegand property projected (the line dividing said property from the property of S. Gordon Reese, et al) and the Southerly Line of Bridge City venue (also called Louisiana Highway 2 or 30), run in a Southwesterly direction along said Westerly Line on a line bearing South 18 degrees, 53 minutes, 53 seconds West, a distance of 211.45 feet to the point of beginning; thence continuing in a Southwesterly direction along said Westerly Line, on the same bearing, a distance of 571.15 feet to a point; thence turn left and run South 70 degrees, 23 minutes, 07 seconds East a distance of 227.57 feet to a point; thence turn left and run in a Northerly direction on a line bearing North 19 degrees, 36 minutes, 53 seconds, East, a distance of 98.14 feet to a point; thence continuing in a Northerly direction on a line bearing North 12 degrees, 31 minutes, 34 seconds East, a distance of 376.52 feet to a point; thence continuing in a Northerly direction on a line bearing North 18 degrees, 53 minutes, 53 seconds East a distance of 98.03 feet to a point; thence continuing in a Northerly direction on a line bearing North 5 degrees, 4 minutes, 19 seconds East, a distance of 3.75 feet to a point; thence turn left and run in a Westerly direction on a line bearing North 71 degrees, 6 minutes, 7 seconds West a distance of 186.10 feet to the point of beginning on the line dividing the property of Robert Weigand from the property of S. Gordon Reese, et als.

THAT CERTAIN PORTION OF GROUND lying between PLOT "B" AND PLOT "C" as shown on said survey and resubdivision, which is more particularly described as follows:

Commencing at the Northwesterly corner of Plot "B", hereinabove described; thence run in a Southerly direction on a line bearing South 18 degrees, 53 minutes, 53 seconds West a distance of 98.25 feet to a point; thence continuing in a Southerly direction on a line bearing South 12 degrees, 31 minutes, 34 seconds West, a distance of 376.90 feet to a point; thence continuing in a Southerly direction on a line bearing South 19 degrees, 36 minutes, 53 seconds West, a distance of 101.86 feet to a point; thence turn right and run North 76 degrees, 23 minutes, 07 seconds West, a distance of 60 feet to a point; thence turn right and run in a Northerly direction North 19 degrees, 36 minutes, 53 seconds East, a distance of 98.14 feet to a point; thence continuing in a Northerly direction North 12 degrees, 31 minutes, 34 seconds East a distance of 376.52 feet to a point; thence continuing in a Northerly direction, North 18 degrees, 53 minutes, 53 seconds East, a distance of 98.03 feet to a point; thence continuing in a Northerly direction, North 5 degrees, 04 minutes, 19 seconds East a distance of 3.75 feet to a point; thence turn right and run South 71 degrees, 6 minutes, 7 seconds East, a distance of 60.90 feet to the point of beginning.

RIDER 1 OF 6  
**AFFORDABILITY OF UNITS**

The Deed shall contain the following provision:

**Use Restriction**

1. The Purchaser (Owner) **must maintain the property as affordable housing** for a period of twenty (20) years after the date of this Deed or such earlier time as the Secretary may specify in writing (the "Restricted Period").
2. Any change to the number or configuration of residential units required to be maintained, as affordable housing must receive prior written approval from HUD.
3. The Purchaser (Owner) will not unreasonably refuse to lease units to, or otherwise discriminate against, very low-income families.

**Income Eligibility Limitation**

1. During the Restricted Period, the Purchaser (Owner) may not market **132** dwelling units for any purpose other than affordable housing without HUD's prior written approval. The Purchaser (Owner) may only rent the affordable units to families with adjusted gross annual incomes that do not exceed **80** percent of the area median income, adjusted for smaller and larger family size.

**Maintenance of Rents at Affordable Levels**

1. For **current** tenants, affordable means **the least of**:
  - (a) for a unit occupied by a very-low income family, the unit rent does not exceed thirty percent (30%) of fifty percent (50%) of the area median income, not necessarily the income of the family, as determined by HUD, with adjustments for smaller and larger families, less a reasonable utility allowance for utilities paid by the tenant; **or**
  - (b) for a unit occupied by a low-income family that is not a very low-income family, the unit rent does not exceed thirty percent (30%) of eighty percent (80%) of the area median income, (not necessarily the income of the family, as determined by HUD, with adjustments for smaller and larger family size, less a reasonable utility allowance for utilities paid by the tenant; **or**
  - (c) the Section 8 Voucher Payment Standard less the utility allowance established by the voucher provider; **or**
  - (d) Market Rent in the immediate area established by a rent comparability study prepared, at the Purchaser/Owner's expense, in accordance with HUD requirements.
2. For **new, or turnover** tenants, affordable means **the least of**:
  - (a) the unit rent does not exceed thirty percent (30%) of **eighty** percent (**80**%) of the area median income (not necessarily the income of the family), as determined by HUD, with adjustments for smaller and larger family size, less a reasonable utility allowance for utilities paid by the tenant; **or**
  - (b) the Section 8 Voucher Payment Standard (less the utility allowance established by the voucher provider; **or**
  - (c) Market Rent in the immediate area established by a rent comparability study prepared, at the
  - (d) Purchaser's/Owner's expense, in accordance with HUD requirements.

**Annual certification** - The Purchaser (Owner) shall certify to HUD annually, in a manner acceptable to HUD, that the requirements in the above paragraphs have been fulfilled.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER \_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT \_\_\_\_\_

**REQUIRED REHABILITATION AND RELOCATION WITHOUT SECTION 8**

The Use Agreement includes the following provision:

**Rehabilitation and Relocation Restriction**

The Purchaser covenants to comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §17012-11(f), and the regulations thereunder, 24 CFR § 290.17, as explained in paragraphs 2 through 5, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations.

1. The Purchaser covenants that the Property will be rehabilitated within **twelve (12)** months from the date of this Use Agreement in accordance with all applicable State and local laws, codes, ordinances and regulations, and Uniform Physical Condition Standards pursuant to 24 CFR Part 5.703, and other requirements set forth in any repair summaries and narratives, attached hereto.
  - (a) If the Purchaser cannot complete the repairs within the required time, thirty (30) days prior to the expiration of the time allowed a written request for an extension must be delivered to HUD stating the reason for the Purchaser's inability to complete the repairs.
  - (b) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
  - (c) Extensions of time to complete repairs are within HUD's sole and absolute discretion.
2. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
3. If temporary relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit, which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
  - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
  - (b) Expenses of returning to a repaired unit on the Property.
4. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance, as described below, to tenants, as may be appropriate:
  - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing, which, to the extent feasible, shall be in a location not generally less desirable than the Property.
  - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move. **HUD will not provide the Purchaser with any funds or subsidy with which to make the payments required by this paragraph.**
5. The Purchaser covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above.
6. To ensure completion of required repairs that are to be completed by the Purchaser, the Purchaser has delivered to the Secretary an unconditional, irrevocable and non-documentary Letter of Credit (LoC), in the amount of **\$306,421.00**, which shall remain in effect and may be drawn on by the Secretary for at least **eighteen (18)** months, 6 months past the deadline for repairs stated above, from the date of this Agreement.  
 In the event an extension for completion of repairs is granted, the LoC's will be extended accordingly. If the repairs are not completed to the satisfaction of HUD within the time period specified in this Section, HUD may, in its sole discretion, cash any LoC and seek remedies provided in the attached Use Agreement, as the Secretary deems appropriate. If HUD cashes the Purchaser's LoC as a remedy for the Purchaser's default under the repair program, HUD may apply the funds so obtained to complete the repairs or for such other Project purposes as the Secretary deems appropriate.
7. Significant repair/rehabilitation programs may be staged upon HUD approval. If repair/rehabilitation is staged, as agreed upon between the Bidder and HUD prior to Closing, up to five (5) LoCs, which represent the full LoC requirement, may be permitted. The LoCs must have an expiration date that extends beyond HUD's repair completion date by at least six (6) months. LoCs may be returned as the Bidder completes repairs and HUD has inspected and accepted the repairs. The final LoC must represent at least ten percent (10%) of HUD's total estimated repair costs and must have an expiration date that extends six (6) months beyond the completion of repair date. HUD may cash this LoC and apply the funds to correct latent defects in the completed repairs.
8. If the Purchaser fails to comply with paragraph 1 above, and no extension by written agreement has been granted by HUD, the Secretary and/or any and all successors in the office shall be entitled to exercise any available remedies including the right to enter and terminate the estate hereby conveyed.
9. If the Purchaser fails to repair the Project in accordance with this Contract, the Secretary will not exercise the remedies as described in Section 8 above, if any lender holding a lien or security interest on the Project:
  - (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, **and**
  - (b) Completes such repairs within thirty (30) days of the notice or within such longer periods as HUD may approve in writing.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER \_\_\_\_\_  
 SECRETARY OF HOUSING AND URBAN DEVELOPMENT \_\_\_\_\_

RIDER 3 OF 6  
**LEAD-BASED PAINT HAZARDS**

The Deed shall include the following provision:

1. In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35 (the "Regulations");
  - ☒ Purchaser covenants that the Property will be inspected and tested for lead-based paint, and any hazards will be abated in accordance with the Regulations.
  - ☐ Purchaser covenants that any lead-based paint hazards will be abated in accordance with the Regulations.

Purchaser shall certify to Seller (in a form acceptable to Seller) and Seller shall determine, through inspection (or discretion, the inspection and certification of a local government official) that all lead-based paint hazards have been removed from the Property in accordance with the Regulations
2. Purchaser understands and agrees that Seller's inspection and finding of satisfactory performance is not intended to and does not constitute a guarantee that all lead-based paint and all potential lead-based paint hazards have been eliminated from the Property and does not relieve Purchaser of its ongoing responsibility for complying with all applicable State and local lead-based paint laws and regulations.
3. Purchaser agrees to indemnify, defend, and hold Seller harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of lead-based paint health hazards, the prohibition against the use of lead-based paint, and Purchaser's responsibility for complying with applicable State and local lead-based paint laws and regulations.
4. If temporary or permanent relocation is necessary because of such abatement, Purchaser covenants that it will comply with paragraphs 5 through 8, below. Additionally, the Purchaser covenants that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("Act"), as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Seller. The Purchaser is responsible for ensuring compliance with the Act and regulations thereunder, notwithstanding any contractual obligations with third parties to comply with the Act and regulations. Purchaser covenants to provide advance written notice of the expected displacement to the residents. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
5. If temporary relocation is necessary because of such abatement, Purchaser covenants to provide assistance to tenants in locating decent, safe and sanitary housing that, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
  - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
  - (b) Expenses of returning to a repaired unit on the Property.
6. If permanent relocation is necessary because of such abatement, Purchaser covenants to provide assistance, as described below, to tenants, as may be appropriate:
  - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing that, to the extent feasible, shall be in a location not generally less desirable than the Property.
  - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by Seller to be reasonable considering the size of the household and the circumstances surrounding the move.
7. The Purchaser covenants not to increase the rent for any units, from the rent Seller is requiring a tenant to pay on the Closing date, until such unit meets all the abatement requirements set forth in paragraph 1, above. (In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.)
8. Purchaser agrees to comply with Section 35.88 "Disclosure Requirements for Sellers and Lessors" and Section 35.92 "Certification and Acknowledgement of Disclosure" of 24 CFR – *Lead-Based Paint Poisoning Prevention in Certain Residential Structures*.
9. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by Seller, Seller and/or all successors in office shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Contract.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER\_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT\_\_\_\_\_

RIDER 4 OF 6  
**ASBESTOS HAZARDS**

The Deed shall include the following provision:

1. Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of asbestos health hazards, the prohibition against the use of asbestos and Purchaser's responsibility for complying with applicable State and local asbestos laws and regulations.
2. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), and the regulations thereunder, 24 CFR §290.17, as explained in paragraphs 4 through 6, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by HUD. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants to provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
3. If temporary relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit, which to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
  - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
  - (b) Expenses of returning to a repaired unit on the Property.
4. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance, as described below, to tenants, as may be appropriate:
  - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing, which to the extent feasible, shall be in a location not generally less desirable than the Property.
  - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move.
5. The Purchaser covenants not to increase the rent for any units, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above.
6. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by HUD, HUD shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Contract.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER\_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT\_\_\_\_\_

**NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER  
HOLDERS (Applies to Rental Housing)**

The Use Agreement includes the following provision:

**Nondiscrimination**

In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Purchaser, any/all successors and assigns, agrees not to unreasonably refuse to lease a dwelling unit offered for rent, offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation (hereinafter referred to as Section 8). This provision is limited in application, for tenants or applicants with Section 8 Certificates or Vouchers, to those units that rent for an amount not greater than the Section 8 fair market rent for a comparable unit in the area as determined by HUD.

If the Purchaser breaches this provision, HUD and/or one or more third - party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such provision and to enjoin any acts which are in violation of such provision. For the purposes of this provision, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER\_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT\_\_\_\_\_



**RIDER 6 OF 6  
MOLD HAZARDS**

The Deed shall include the following provisions:

1. Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of mold health hazards, and Purchaser's responsibility for complying with applicable Environmental Protection Agency's regulations and State and local laws and regulations.
  - (a) Purchaser covenants that the Property will be inspected and tested for mold and mold conditions, and any hazards will be remediated. The purchaser will remediate the mold or mold conditions in accordance with the relevant provisions of the Environmental Protection Agency regulatory standards and guidelines.
  - (b) Purchaser covenants that any mold hazards will be remediated in accordance with applicable federal state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA ) Guidelines.
2. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), and the regulations thereunder, 24 CFR §290.17, as explained in paragraphs 4 through 6, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by HUD. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants to provide advance written notice of the expected displacement to the residents. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
3. If temporary relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit, which to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
  - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
  - (b) Expenses of returning to a repaired unit on the Property.
4. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance, as described below, to tenants, as may be appropriate:
  - (a) Advisory services, necessary to locate decent, safe and sanitary and affordable replacement housing, which to the extent feasible, shall be in a location not generally less desirable than the Property.
  - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move.
5. The Purchaser covenants not to increase the rent for any units, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above
6. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by HUD, HUD shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Contract.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER\_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT\_\_\_\_\_

**ATTACHMENT D**  
LETTER OF CREDIT (LoC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. \_\_\_\_\_  
\_\_\_\_\_, 20\_\_\_\_

U.S. Department of Housing and Urban Development  
801 Cherry Street  
Ft. Worth, TX 76102

Attention: Mr. Jack Stark  
6AC – 28<sup>th</sup> Floor

Dear Sir:

For the account of \_\_\_\_\_  
(name of account party/customer)  
we hereby authorize you to draw on us at sight up to an aggregate amount of U.S. \$ \_\_\_\_\_,  
effective immediately and expiring on \_\_\_\_\_, 20\_\_\_\_.

This Letter of Credit is irrevocable and unconditional.

Funds under this Credit are available to you against your sight draft(s) on us, substantially in the form attached as Exhibit A, for all or any part of this Credit.

This Letter of Credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by any agreement in which this letter is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any agreement.

We will promptly honor all drafts in compliance with the terms of this credit if received on or before the expiration date at

\_\_\_\_\_  
(bank's address)

This Credit is governed by the laws of \_\_\_\_\_.

Sincerely,

(Issuing Bank)

By: \_\_\_\_\_

**SAMPLE SIGHT DRAFT**

(HUD LETTERHEAD)

(Name and address of bank) \_\_\_\_\_  
(City, State)

\_\_\_\_\_, 20\_\_\_\_

Pay to the order of the U.S. Department of Housing and Urban Development the sum of

\$\_\_\_\_\_. This draft is drawn under your Irrevocable Letter of

Credit NO. \_\_\_\_\_.

U.S. Department of Housing and Urban Development

By: \_\_\_\_\_

# Attachment E

## Post Closing Repair Requirements

Department of Housing and Urban Development

Office of Housing, Multifamily Sales Program

Project Name Normandy apartments	Project Number 064-44003	Location Bridge City, LA
-------------------------------------	-----------------------------	-----------------------------

The purchaser must repair the property to meet the following requirements within the time frame noted in the Contract of Sale or Terms and Requirements of Foreclosure Sale - Acknowledgement by Bidder.

☒ Applicable State and Local Codes

☒ Physical Condition Standards as set forth in

☒ Additional Repairs required by HUD

24 CFR 886 Part 5

HUD will monitor repairs to assure compliance. Repairs shall be considered completed only after (1) Purchaser provides written certification that repairs are completed; (2) Purchaser requests final inspection by HUD; and (3) HUD verifies in writing completion and compliance with the requirements stated herein.

Trade Item Cost Breakdown: HUD's estimate of repairs is broken out by trade item. Detailed descriptions of repairs are stated in this form's exhibit. Unchecked as MANDATORY on this form, repairs may begin upon conveyance. For repair items checked on this form as MANDATORY, the purchaser, prior to beginning work, must submit specifications for approval to HUD office with jurisdiction over this project.

The repairs listed herein represent HUD's estimate of the property's repair needs. These repairs may not represent all repairs needed to satisfy HUD's requirements and/or requirements other than HUD's. HUD does NOT warrant that the list is either comprehensive or sufficient. The purchaser accepts responsibility for: (1) developing independent repair cost estimate, (2) determining what, if any, repairs are needed in excess of those listed herein, and (3) providing funding for such.

Repairs to Residential Structures (including commercial areas)					
Item	Mandatory	Est. Cost	Item	Mandatory	Est. Cost
1. Concrete	<input type="checkbox"/>		17. Wood Flooring	<input type="checkbox"/>	
2. Masonry	<input type="checkbox"/>	\$50,000	18. Resilient Flooring	<input type="checkbox"/>	\$14,663
3. Metals	<input type="checkbox"/>		19. Painting and Decorating	<input type="checkbox"/>	80,492
4. Rough Carpentry	<input type="checkbox"/>	49,000	20. Specialties	<input type="checkbox"/>	
5. Finish Carpentry	<input type="checkbox"/>		21. Special Equipment	<input type="checkbox"/>	
6. Waterproofing	<input type="checkbox"/>		22. Cabinets	<input type="checkbox"/>	26,150
7. Insulation	<input type="checkbox"/>	8,000	23. Appliances	<input type="checkbox"/>	31,946
8. Roofing	<input type="checkbox"/>	66,150	24. Blinds and Shades	<input type="checkbox"/>	
9. Sheet Metal	<input type="checkbox"/>		25. Carpets	<input type="checkbox"/>	55,455
10. Doors	<input type="checkbox"/>	17,426	26. Special Construction	<input type="checkbox"/>	
11. Windows	<input type="checkbox"/>	122,240	27. Elevator	<input type="checkbox"/>	
12. Glass	<input type="checkbox"/>		28. Plumbing and Hot Water	<input type="checkbox"/>	167,629
13. Lath & Plaster	<input type="checkbox"/>		29. Heat and Ventilation	<input type="checkbox"/>	21,362
14. Drywall	<input type="checkbox"/>	66,858	30. Air Conditioning	<input type="checkbox"/>	110,737
15. Tile Work	<input type="checkbox"/>		31. Electrical	<input type="checkbox"/>	60,939
16. Acoustical	<input type="checkbox"/>		Residential Structures Subtotal		\$949,047
Repairs to Accessory Structures (community, maintenance, mechanical, garages, carports, etc....)					
32. Accessory Structures	<input type="checkbox"/>		34.	<input type="checkbox"/>	
33.	<input type="checkbox"/>		Accessory Structures Subtotal		
Site Work					
35. Earth Work	<input type="checkbox"/>		39. Lawns and Planting	<input type="checkbox"/>	
36. Site Work	<input type="checkbox"/>		40. Unusual Site Conditions	<input type="checkbox"/>	
37. Roads and Walks	<input type="checkbox"/>	5,000	41.	<input type="checkbox"/>	
38. Site Improvements	<input type="checkbox"/>		Site Work Subtotal		5,000
Environmental Mitigation			Totals		
42. Lead-based Paint	<input type="checkbox"/>		Estimated Total Hard Cost		\$980,547
43. Asbestos	<input type="checkbox"/>	3,000	Inflation - enter amount		0
44. Moisture/Mold Insp.	<input type="checkbox"/>	23,500	Contingency = Hard Cost + 10%		98,055
Environmental Mitigation Subtotal		26,600	Ovhd/Gen Req = Hard Cost +15% or 18%		147,082
Estimated Total Repair Cost					\$1,225,684
Previous edition is obsolete			Computerized form HUD-9552 Web-based		

## **WORK WRITE UP, August, 2005**

Repairs or alterations must meet the specific requirements contained in Chapters 5 and 6 of the Minimum Property Standards, HUD Handbook 4910.01.

### **GENERAL REQUIREMENTS**

### **EXTERIOR**

#### **SITE WORK AND IMPROVEMENT**

1. Replace sections of parking lot pavement at various failed base locations.
2. Replace broken sidewalk sections at various locations.
3. Restripe fire lanes and parking spaces

### **BUILDING**

1. Replace pipe insulation on coolant lines to AC condensers.
2. Replace 80 (60% of the 132 total) service disconnects that are beyond design life, in poor condition, and incorrectly wired servicing the AC condensers. \*\*\*\*Note: these disconnects are not identified per apartment.
3. Replace 32 of the 132 total AC condensers that are in poor condition and beyond design life. \*\*\*Note: AC condensers are not identified per apartment.
4. Replace damaged ceiling mounted light fixtures in the breezeways of each building. \*\*\*Note: this is referring to the ceiling fixtures running down the center of the breezeways on each level. This does not include fixtures above apartment entrances. These have been included in the individual apartment write-ups.
5. All building foundations are experiencing erosion of soil away from footings.
6. All buildings have brick and block staining.
7. All buildings have mold/mildew on lower siding panels beneath ground floor windows.
8. All buildings have original single pane windows that need to be replaced.
9. All buildings have roofing that has exceeded their useful life and it needs to be replaced.

### **INTERIOR**

1. Install GFCI protected receptacles in all kitchens.
2. Install GFCI protected receptacles in all bathrooms.

### **SPECIFIC REQUIREMENTS**

### **EXTERIOR**

#### **SITE WORK AND IMPROVEMENT**

1. Replace section of cracked concrete sidewalk near building 10.

#### **BUILDING**

1. Replace light fixture above entrance to Bldg. 1420O, 1420P, 1420T, 1425N, 1425Q, 1428B, 1428N, 1428O, 1428P, 1428Q, 1429P, 1432Q, 1433C, 1433P, 1433Q, 1436B, 1437P, 1440G, 1440O, 1440R, 1440S, 1440T.
2. Remove graffiti from breezeway wall: Building 1425, 1432, 1433, 1436, 1437.
3. Replace missing concrete blocks from top of fire separation wall: Building 1428.
4. Replace fascia missing from second floor breezeway landing: Building 1432.
5. Replace broken wall pack exterior light: Building 1432.
6. Refasten sagging soffit at breezeway: Building 1432.
7. Seal wall penetration at refrigerant line: Building 1436.

### **INTERIOR**

#### **BUILDING 1420**

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##### **Unit #C – Two-Bedroom**

1. Living/Dining
  - a. Replace threshold
2. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
3. Bathroom

- a. Replace sink and faucet.
- b. Replace bathtub and faucet.

#### Unit #D

- 1. Kitchen
  - a. Need divider strip at door opening
- 2. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.
  - c. Install ceiling combination fixture.
- 3. Hall
  - a. Replace carpet
- 4. Bedroom 1
  - a. Replace carpet
- 5. Bedroom 2
  - a. Replace carpet

#### Unit #E

- 1. Kitchen
  - a. Replace range.
- 2. Bathroom
  - a. Replace vinyl tile
  - b. Repair ceiling board and paint
  - Replace sink and faucet.
  - Replace toilet.
  - Replace bathtub and faucet.

#### Unit #F

- 1. General
  - a. Paint unit
- 2. Kitchen
  - a. Replace base cabinet door
  - b. Replace range hood.
  - c. Replace sink and faucet.
- 3. Hallway
  - a. Replace smoke detector.
- 4. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.

#### Unit #G

- 1. General
  - a. Paint unit
- 2. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
  - c. Replace light fixture.
- 3. Utility Closet
  - a. Replace water heater.
- 4. Bathroom
  - a. Repair wall board and paint
  - b. Caulk tub
  - c. Replace sink and faucet.

#### Unit #O

- 1. General
  - a. Paint unit
- 2. Kitchen
  - a. Replace sink and faucet.
  - b. Replace light fixture.
- 3. Bathroom
  - a. Repair wall board and paint
  - b. Caulk tub

#### Unit #P

- 1. General
  - a. Replace carpet
- 2. Living/Dining
  - a. Replace carpet
- 3. Kitchen
  - a. Replace range hood.

- b. Replace sink and faucet.
- 4. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.

#### Unit #Q

- 1. General
  - a. Replace carpet
- 2. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
- 3. Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.

#### Unit #R

- 1. General
  - a. Replace carpet
- 2. Living/Dining
  - a. Replace front door hardware
- 3. Kitchen
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
- 4. Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.

#### Unit #S

- 1. General
  - a. Replace carpet
- 2. Hallway
  - a. Install smoke detector
- 3. Bathroom
  - a. Repair tile surround
  - b. Caulk tub
  - c. Replace sink and faucet.

#### Unit #T

- 1. General
  - a. Replace carpet
- 2. Kitchen
  - a. Replace sink and faucet.
- 3. Hallway
  - a. Replace smoke detector.
- 4. Bathroom
  - a. Replace vinyl tile
  - b. Repair wall board and paint
  - c. Repair ceiling board and paint
  - d. Repair tile surround
  - e. Replace sink and faucet.
  - f. Replace toilet.
  - g. Replace bathtub and faucet.

### ***BUILDING 1421***

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#### Unit #F

- 1. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet
- 2. Hallway
  - a. Install smoke detector.
- 3. Bathroom
  - a. Repair ceiling board and paint above tub
  - b. Caulk tub
  - c. Replace sink and faucet.

#### Unit #G

- 1. Living/Dining Room
  - a. Repair wall board and paint
- 2. Kitchen
  - a. Replace range.
  - b. Replace range hood.
  - c. Replace sink and faucet.
- 3. Hallway



- a. Replace smoke detector.
- 4. Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.
  - c. Replace ceiling combination fixture.
  - d. Replace vanity light fixture.
- 5. Bedroom 1
  - a. Repair wall board and paint
- 6. Bedroom 2
  - a. Repair wall board and paint

Unit #H

- 1. Kitchen
  - a. Replace range hood.
- 2. Bathroom
  - a. Repair tile surround
  - b. Caulk tub
  - c. Paint door
- 3. Bedroom 2
  - a. Repair wall board and paint

Unit #O

- 1. General
  - a. Paint unit
- 2. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
- 3. Hall
  - a. Repair wall board and paint round hole
- 4. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.
- 5. Bedroom 1
  - a. Replace closet door hardware to room

Unit #Q

- 1. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
- 2. Hallway
  - a. Replace smoke detector.
- 3. Bathroom
  - a. Repair tile surround
  - b. Caulk tub
  - c. Replace sink and faucet.
  - d. Replace ceiling combination fixture.

**BUILDING 1425**

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Unit #B

- 1. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
- 2. Hall
  - a. Repair wall board and paint
  - b. Replace smoke detector.
- 3. Half Bathroom
  - a. Replace sink and faucet.
  - b. Replace toilet.
- 4. Full Bathroom
  - a. Repair wall board and paint
  - b. Repair ceiling board and paint above tub
  - c. Repair tile surround
  - e. Replace sink and faucet.
  - f. Replace bathtub and faucet.
- 5. Bedroom 2
  - a. Replace door hardware

Unit #C

- 1. Living/Dining Room
  - a. VCT floors
- 2. Kitchen

- a. New counter
- 3. Hallway
  - a. Replace smoke detector.
- 4. Half Bathroom
  - a. Replace sink and faucet.
- 5. Full Bathroom
  - a. Replace sink and faucet.
  - b. Replace ceiling combination fixture.

Unit #N

- 1. General
  - a. Replace carpet
- 2. Kitchen
  - a. New counter
  - b. Replace range hood.
- 3. Half Bathroom
  - a. Replace sink and faucet.
  - b. Replace ceiling combination fixture.
- 4. Full Bathroom
  - a. Repair ceiling board and paint
  - b. Repair tile surround
  - c. Replace sink and faucet.
  - d. Replace bathtub and faucet.

Unit #Q

- 1. General
  - a. Paint entire unit
- 2. Kitchen
  - a. Replace refrigerator.
  - b. Replace range hood.
- 3. Half Bath
  - a. Repair tile surround
  - b. Replace sink and faucet.
- 4. Full Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.
- 5. Bedroom 3
  - a. Replace light fixture.

**BUILDING 1428**

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Unit #A

- 1. Living/ Dining Room
  - a. Repair wall board and paint knob hole
- 2. Kitchen
  - a. Replace sink and faucet.
- 3. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.

Unit #B

- 1. Kitchen
  - Replace range hood.
  - Replace sink and faucet.
- 2. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.

Unit #C

- 1. Kitchen
  - a. Replace base cabinet door
  - b. Repair wall board and paint spot
  - c. Replace range hood.
  - d. Replace sink and faucet.
  - e. Replace light fixture.
- 2. Hallway
  - a. Replace smoke detector.
- 3. Bathroom
  - a. Replace bathtub and faucet.
- 4. Bedroom 1
  - a. Replace door hardware

Unit #G

1. General
  - a. Paint entire unit
2. Kitchen
  - a. Replace range hood.
  - b. Replace sink and faucet.
3. Bathroom
  - a. Repair tile surround
  - b. Replace sink and faucet.
  - c. Replace bathtub and faucet.
  - d. Replace ceiling combination fixture.

Unit #N

1. Kitchen
  - a. Replace sink and faucet.
2. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.

Unit #O

1. Living/ Dining Room
  - a. Replace carpet
2. Kitchen
  - a. New VCT flooring
  - b. Replace all base cabinet doors
  - c. Replace range hood.
  - d. Replace sink and faucet.
3. Hallway
  - a. Replace smoke detector.
4. Bathroom
  - a. Caulk tub
  - b. Replace sink and faucet.
5. Bedroom 1
  - a. Replace carpet

Unit #P

1. General
  - a. Replace all carpet
  - b. Paint entire unit
2. Kitchen
  - a. Replace vinyl tile
  - b. Replace refrigerator.
  - c. Replace range.
  - d. Replace range hood
  - e. Replace sink and faucet.
3. Hallway
  - a. Replace smoke detector.
4. Bathroom
  - a. Replace vinyl tile
  - b. Caulk tub
  - c. Replace sink and faucet.
  - d. Replace toilet.

Unit #Q

1. General
  - a. Paint entire unit
2. Kitchen
  - a. Replace all base cabinet doors
  - b. Replace refrigerator.
  - c. Replace sink and faucet.
3. Bathroom
  - a. Repair wall board and paint
  - b. Replace sink and faucet.
  - c. Replace bathtub and faucet.

**BUILDING 1429**

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Office

1. General
  - a. Apartment needs total remodeling to restore floor plan
2. Living/ Dining Room
  - a. Replace front door

3. Kitchen
  - a. Replace all base cabinets
  - b. Replace all wall cabinets
4. Bathroom
  - a. Replace sink and faucet.
  - b. Replace ceiling combination fixture.

#### Laundry Room

1. General
  - a. Space would need total remodeling to restore to apartment.
  - b. Replace VCT flooring
  - c. Paint entire unit

#### Unit #F

1. Kitchen
  - a. Replace range hood.
2. Bedroom 1
  - a. Repair wall board and paint knob hole
3. Bedroom 3
  - a. Repair wall board and paint knob hole
  - b. Replace light fixture.

#### Unit #P

1. General
  - a. Replace all carpet
2. Hallway
  - a. Replace smoke detector.
3. Bathroom
  - a. Replace tile surround
  - b. Replace bathtub and faucet.
  - c. Replace ceiling combination fixture.

### ***BUILDING 1432***

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#### Unit #A

1. General
  - a. Paint entire unit
2. Living/ Dining Room
  - a. Replace glass in window
3. Kitchen
  - a. Replace all base cabinets
  - b. Replace countertops
  - c. Replace all wall cabinets
  - d. Replace refrigerator.
  - e. Install range.
  - f. Replace range hood.
4. Half Bathroom
  - a. Replace sink and faucet.
5. Full Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.
6. Bedroom 1
  - a. Replace window glass
7. Bedroom 2
  - a. Replace window glass
  - b. Replace door hardware

#### Unit #B

1. General
  - a. Replace all carpet
2. Half Bathroom
  - a. Replace sink and faucet.
3. Bath
  - a. Caulk tub
4. Hall
  - a. Repair wall board and paint

#### Unit #C

1. General
  - a. Paint entire unit
2. Kitchen
  - a. Paint cabinets
  - b. Replace refrigerator.

- c. Replace range hood.
  - d. Replace sink and faucet.
- 3. Hall
  - a. Repair wall board and paint
- 4. Half Bathroom
  - a. Replace sink and faucet.
- 5. Full Bathroom
  - Caulk tub
  - Replace sink and faucet.
- 6. Bedroom 3
  - 1. Termite damage at ceiling

Unit #Q

- 1. General
  - a. Replace carpet
  - b. Paint entire unit
- 2. Living/ Dining Room
  - a. Repair wall board and paint
- 3. Kitchen
  - a. Replace range hood.
- 4. Half Bathroom
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
- 5. Full Bathroom
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
- 6. Bedroom 1
  - a. Repair door

**BUILDING 1433**

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Unit #C

- 1. Bathroom
  - a. Replace vinyl tile
  - b. Repair ceiling board and paint
  - c. Repair tile surround
  - d. Caulk tub
  - e. Replace sink and faucet.
  - f. Replace bathtub and faucet.

Unit #D (Thrift Shop)

- 1. Kitchen
  - a. Replace sink and faucet.
- 2. Hall
  - a. Replace both closet doors
- 3. Bathroom
  - a. Replace sink and faucet.
- 4. Bedroom 1
  - a. Replace closet door
- 5. Bedroom 2
  - a. Replace closet door

Unit #P

- 1. Kitchen
  - a. Replace sink and faucet.
- 2. Hallway
  - a. Replace smoke detector.
- 3. Bathroom
  - a. Replace sink and faucet.
- 4. Bedroom 1
  - a. Repair wall board and paint

Unit #Q

- 1. Kitchen
  - a. Replace sink and faucet.
- 2. Bathroom
  - a. Replace sink and faucet.
  - b. Replace ceiling combination fixture.

**BUILDING 1436**

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Unit #B

- 1. Kitchen

- a. Replace range hood
  - b. Replace sink and faucet.
- 2. Half Bathroom
  - a. Replace sink and faucet.
- 3. Full Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.

Unit #C Maintenance Shop

- 1. General
  - a. Entire unit must be remodeled to restore it to a rentable unit.
  - b. Replace/ install electrical equipment and fixtures.
  - c. Replace/ install HVAC equipment.
  - d. Replace/ install all kitchen appliances.
  - e. Replace/ install all bathroom fixtures.
  - f. Install new water heater.

Unit #D Maintenance Storage

- 1. General
  - a. Entire unit must be remodeled to restore it to a rentable unit.

Unit #E

- 1. Kitchen
  - a. Replace countertop
  - b. Replace range hood.
  - c. Replace light fixture.
- 2. Hallway
  - a. Replace smoke detector.
- 3. Half Bathroom
  - a. Replace sink and faucet.
  - b. Replace toilet.
- 4. Full Bathroom
  - a. Repair tile surround
  - b. Replace sink and faucet.
- 5. Bedroom 2
  - a. Replace light fixture.

Unit #F

- 1. General
  - a. Entire unit must be entirely remodeled to restore it to a rentable unit.
- 2. Living/Dining Room
  - a. Replace window glass
  - b. Replace front door
- 3. Bedroom 1
  - a. Replace window glass
- 4. Bedroom 2
  - a. Replace window glass
- 5. Replace/ install electrical equipment and fixtures.
- 6. Replace/ install HVAC equipment.
- 7. Replace/ install all kitchen appliances.
- 8. Replace/ install all bathroom fixtures.
- 9. Install new water heater.

**BUILDING 1437**

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Unit #A

- 1. Living/Dining Room
  - a. Paint room
- 2. Kitchen
  - a. Paint room
  - b. Replace old cabinets
  - c. Remove wall paper from counter
  - d. Replace sink and faucet.
- 3. Bath
  - a. Repair wall board and paint
  - b. Replace sink and faucet.
  - c. Replace ceiling combination fixture.
- 4. Bedroom 1
  - a. Replace door knob
  - b. Repair wall board and paint
- 5. Bedroom 2
  - a. Repair wall board and paint

Unit #N

1. Kitchen
  - a. Replace sink and faucet.
2. Bathroom
  - a. Replace sink and faucet.

Unit #O

1. General
  - a. Replace carpet
2. Living/Dining Room
  - a. Repair wall board and paint
3. Kitchen
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
4. Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.

Unit #P

1. Living/Dining Room
  - a. Repair wall board and paint
2. Kitchen
  - a. Replace sink and faucet.
  - b. Replace light fixture.
3. Hallway
  - a. Replace light fixture.
4. Bathroom
  - a. Repair wall board and paint
  - b. Replace sink and faucet.
5. Bedroom 1
  - a. Repair wall board and paint
  - b. Replace light fixture.
6. Bedroom 2
  - a. Repair wall board and paint
  - b. Replace window gaskets
  - c. Replace light fixture.

**BUILDING 1440**

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Unit #G

1. General
  - a. Paint entire unit
2. Kitchen
  - a. Replace refrigerator.
  - b. Replace range hood.
3. Hallway
  - a. Replace smoke detector.
4. Utility Closet
  - a. Replace water heater.
5. Bathroom
  - a. Replace sink and faucet.
  - b. Replace bathtub and faucet.
  - c. Replace ceiling combination fixture.
6. Bedroom 1
  - a. Replace door hardware
7. Bedroom 2
  - b. Replace door hardware

Unit #O

1. Kitchen
  - a. Replace range.
  - b. Replace sink and faucet.
2. Hallway
  - a. Replace smoke detector.
3. Bathroom
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
  - c. Replace bathtub and faucet.



#### Unit #R

1. General
  - a. Replace all carpet
2. Kitchen
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
3. Bathroom
  - a. Caulk tub

#### Unit #S

1. General
  - a. Paint entire unit
2. Kitchen
  - a. Replace vinyl tile
  - b. Replace range hood.
  - c. Replace sink and faucet.
3. Hall
  - a. Repaint closet door
4. Bathroom
  - a. Replace vinyl tile
  - b. Replace sink and faucet.
  - c. Replace bathtub and faucet.

#### Unit #T

1. General
  - a. Replace all carpet
  - b. Repaint entire unit
2. Kitchen
  - a. Paint cabinets
3. Hallway
  - a. Replace smoke detector.
4. Utility Closet
  - a. Replace water heater.
5. Bath
  - a. Caulk tub
6. Replace sink and faucet.  
Replace bathtub and faucet.

### **WORK WRITE UP (Post-Katrina Supplement)**

The exterior of all ten buildings were observed for hurricane damage. The write-ups listed reflect only those units that were accessible and suffered observable damage due to Hurricane Katrina. The write-ups shown here are in addition to the items recorded in the Comprehensive Repair Survey dated August 2005. Repairs or alterations must meet the specific requirements contained in Chapters 5 and 6 of the Minimum Property Standards, HUD Handbook 4910.01. Both Work Write Ups repair cost have been combined in the Attachment E, Post Closing Repair Requirements.

#### GENERAL REQUIREMENTS

#### **EXTERIOR**

#### **SITE WORK AND IMPROVEMENT**

1. N/A

#### **BUILDING**

1. Roofing shingles, underlayment and sheathing should be replaced on all ten buildings.

#### **INTERIOR**

1. N/A

#### SPECIFIC REQUIREMENTS

#### **EXTERIOR**

#### **SITE WORK AND IMPROVEMENT**

1. N/A

## **BUILDING**

1. N/A

## ***INTERIOR***

### ***BUILDING 1420***

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#### Unit #A

1. Bathroom
  - a. Mold damage on wall behind commode.

#### Unit #B

1. Living Room
  - a. Water and mold damage on exterior wall.
2. Bedroom 1
  - a. Water and mold damage on exterior wall.
3. Bedroom 2
  - a. Water and mold damage on exterior wall.

#### Unit #C

1. Bathroom
  - a. Mold damage on ceiling

#### Unit #D

1. Living Room
  - a. Water damage on floor and ceiling
2. Bedroom 1
  - a. Water damage at exterior wall.
3. Bedroom 2
  - a. Water damage at exterior wall.

#### Unit #E

1. Bathroom
  - a. Water damage on ceiling

#### Unit #F

1. Living Room
  - a. Water and mold damage on ceiling and walls
2. Bedroom 1
  - a. Water and mold damage on ceiling and exterior wall.
3. Bedroom 2
  - a. Water and mold damage on ceiling and exterior wall.

#### Unit #G

1. Living
  - a. Water and mold damage on exterior wall.
2. Bathroom
  - a. Mold damage on bathroom wall.
3. Bedroom 1
  - a. Mold damage in closet.

#### Unit #H

1. Living Room
  - a. Water damage on ceiling and exterior wall.

#### Unit #S

1. Bedroom 2
  - a. Ceiling is collapsed from water penetration at roof.
  - b. Water damage to floors and walls.

### ***BUILDING 1421***

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#### Unit #A

1. Bedroom
  - a. Mold damage on exterior wall.

#### Unit #D

1. Bathroom
  - a. Mold damage on ceiling.

#### Unit #F

1. Bathroom
  - a. Mold damage on ceiling

#### Unit #N

1. Living Room
  - a. Part of ceiling collapsed from water damage.

Unit #O

1. Living Room
  - a. Window glass broken.
  - b. Water damage at ceiling.
2. Bathroom
  - a. Floor tiles missing

Unit #P

1. Bathroom
  - a. Mold damage on ceiling.

Unit #Q

1. Living Room
  - a. Water damage on ceiling.
2. Bedroom 2
  - a. Water damage on ceiling.

Unit #S

1. Bathroom
  - a. Mold damage on ceiling.

**BUILDING 1425**

---

Unit #A

1. Bedroom 1
  - a. Mold damage on ceiling and exterior wall.
2. Bedroom 3
  - a. Mold damage on ceiling.

Unit #B

1. Full Bathroom
  - c. Mold damage on ceiling and walls.

Unit #N

1. Living Room
  - a. Window glass broken.
2. Bedroom 2
  - a. Window glass broken.
3. Bedroom 3
  - a. Water damage at exterior wall.

**BUILDING 1428**

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Unit #B

1. Living Room
  - a. Water damage on ceiling.

Unit #D

1. Bedroom 2
  - a. Water damage on ceiling.

Unit #F

1. Living Room
  - a. Water damage on exterior wall.
2. Bedroom 2
  - a. Water damage on exterior wall.

Unit #H

1. Bathroom
  - a. Water damage on ceiling.

Unit #O

1. Living/ Dining Room
  - a. Window glass blown out.
2. Hallway
  - a. Mold damage in hallway.
3. Bedroom 1
  - a. Ceiling collapsed from water damage.

Unit #S

1. Bathroom
  - a. Mold damage at tub.

**BUILDING 1429**

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Unit #A

1. Living Room
  - a. Water damage on floor.
2. Kitchen
  - a. Water and mold damage on walls.
3. Bathroom
  - a. Water damage on floor.

Unit #C

1. Living Room
  - a. Window glass broken.
2. Bedroom 2
  - a. Water damage on exterior wall.

Unit #E

1. Hallway
  - a. Water damage on floor.

Unit #N

1. Living Room
  - a. Water damage on ceiling.

Unit #P

1. Bedroom 2
  - a. Water damage on ceiling.
  - b. Water damage at closet.

Unit #Q

1. Living Room
  - a. Window glass broken.
2. Kitchen
  - a. Water damage at kitchen cabinet.

**BUILDING 1432**

---

Unit #B

8. Hallway
  - a. Mold damage on walls.

Unit #C

1. Half Bathroom
  - a. Mold damage on wall.
2. Bedroom 1
  - a. Water damage at floor and exterior wall.
3. Bedroom 2
  - a. Water damage at floor and exterior wall.
4. Bedroom 3
  - a. Mold damage at floor, ceiling and exterior wall.

Unit #D

1. Half Bathroom
  - a. Mold damage on ceiling.
2. Bedroom 3
  - a. Mold damage on ceiling.

**BUILDING 1433**

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Unit #E

1. Living Room
  - a. Water damage to floor, ceiling and walls.

2. Kitchen
  - a. Water damage to ceiling and exterior wall.
3. Bedroom 2
  - a. Water damage ceiling.

Unit #N

1. Bedroom 1
  - a. Water damage on ceiling. Part of ceiling is collapsed.

Unit #R

1. Living Room
  - a. Water damage on floor and ceiling. Ceiling collapsed at exterior wall.

Unit #S

1. Bedroom 2
  - a. Window glass broken.

---

**BUILDING 1437**

Unit #C

1. Living Room
  - a. Water damage on exterior wall.

Unit #N

1. Living Room
  - a. Water damage on ceiling.
2. Bedroom 1
  - a. Water damage on ceiling.

Unit #R

1. Living Room
  - a. Water damage on ceiling.
  - b. Window glass is broken.
2. Bedroom 1
  - a. Water damage on ceiling.
3. Bedroom 2
  - a. Mold damage on ceiling.

Unit #T

1. Living Room
  - a. Window glass is broken.

---

**BUILDING 1440**

Unit #B

1. Living Room
  - a. Water damage on ceiling and exterior wall.

Unit #D

1. Bedroom 1
  - a. Mold damage at exterior wall.
2. Bedroom 2
  - a. Mold damage at exterior wall.

Unit #E

1. Bedroom 2
  - a. Water damage at ceiling.

Unit #F

1. Bathroom
  - a. Water damage on ceiling.

Unit #H

1. Living Room
  - a. Mold damage on ceiling.
2. Bedroom 2
  - a. Mold damage on exterior wall.

Unit #O

1. Living Room
  - a. Water damage on ceiling.

Unit #Q

1. Bedroom 2
  - a. Ceiling collapsed by water damage.

Unit #S

1. Bedroom 1
  - a. Water damage on exterior wall.

PHASE I  
ENVIRONMENTAL SITE ASSESSMENT  
Normandy Apartments  
1420, 1421, 1425, 1428, 1429, 1432, 1433, 1436, 1437 and 1440 Utah Beach Drive  
New Orleans, LA 70094

## 1.0 EXECUTIVE SUMMARY

PASS Associates, Inc. performed this Phase I ESA of the above-referenced property (hereinafter, the site) to assess the environmental condition of the site in accordance with our Proposal No. 06-0503ESA dated May 3, 2006, and in general accordance with ASTM E1527-00 Standard Practice for Phase I Environmental Site Assessments. The scope of work included review of historical use information, review of physical setting information, review of federal and state regulatory databases, review of local government records, historical and on-site interviews, and a visual reconnaissance of the site and adjoining properties. Further details regarding the scope, objectives, extent and limitations of our services are detailed in the text of this report. Please note that this Executive Summary is only a brief summary of these Phase I ESA services, and the entire report should be read for a comprehensive and accurate understanding of Findings, Conclusions and Recommendations.

### 1.1 Findings

#### Site Description

The site is located at 1420, 1421, 1425, 1428, 1429, 1432, 1433, 1436, 1437 and 1440 Utah Beach Drive, New Orleans, LA 70094. Utah Beach Drive divides the site in the middle. Normandy Apartments currently occupies the site.

Normandy Apartments consists of 10 two-story buildings that are constructed of red brick exteriors on concrete foundations with pitch style asphalt shingle roofs. The interior of the apartments is constructed of drywall wall and ceiling materials with floor tile or carpet flooring.

Normandy Apartments consists of a total of 132 apartment units. Of these 132 apartment units 26 are considered to be one-bedroom one-bathroom, 78 are two-bedroom with one-bathroom and the remaining 28 are three-bedroom one and a half bathroom.

#### Recognized Environmental Conditions

No RECs were observed or revealed when assessing the site.

### 1.1.3 Other Services

*Fungal Growth Assessment:* A total of six samples were collected at the site for fungal growth assessment. According to site personnel most fungal growth has been remediated, but on the day of the site assessment the following samples were collected from various apartment units.

<b>Apartment #</b>	<b>Location</b>	<b>Fungal Growth Identification</b>
1433R	Living Room	Chaetomium Curvularia
1436A	Hallway	Chaetomium Stachybotrys
1436A	Living Room	Aspergillus
1436A	Bathroom	Chaetomium Stachybotrys Aspergillus Trichoderma/Gilocladium
1436B	Hallway	Chaetomium Stachybotrys
1437R	Back Room	Alternaria Ulocladium/Stemphylium Penicillium Paecilomyces

### 1.2 Recommendations

The following Recommendations apply to the Findings listed above:

***Fungal Growth Assessment***

As for the Fungal Growth identified by PASS Associates, Inc. on the day of the site reconnaissance, it is recommended that a moisture intrusion inspection be performed to check for future moisture problems and that all fungal growth be remediated and removed from the site. All mold remediation needs to be performed by a licensed mold removal company and disposed of according to all local, state and federal laws and regulations.



# Certification of Substantial Compliance

Attachment F

TO: The United States Department of Housing and Urban Development

FROM: \_\_\_\_\_

I Certify to HUD that any and all project(s) that are owned by \_\_\_\_\_, or its affiliates, and located in \_\_\_\_\_ (City or Town where project being purchased is located) is/are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes and are listed on Schedule A attached hereto.

WARNING: It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

By: \_\_\_\_\_  
Purchaser Name

Verified by: \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

\_\_\_\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Date

STATE OF: \_\_\_\_\_ )

COUNTY OF: \_\_\_\_\_ )

Came before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006. Notary Seal

Schedule A: All projects owned by \_\_\_\_\_ or affiliates.

List each project name	List name of principal or affiliate with ownership of project.	List project address

# Personal Financial and Credit Statement

**U.S. Department of Housing and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB No. 2502-0001 (Exp. 05/31/2006)

**Public reporting burden** for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 207(b)(1) and (2) of the National Housing Act authorizes the Secretary of the Department of Housing and Urban Development to insure mortgages on property held by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods or operations; or to insure the property any mortgagor approved by the Secretary. Assurances of confidentiality are pledged to respondents as stated in the Privacy Act. HUD may disclose this data only in response to a Freedom of Information request.

**Privacy Act Statement:** HUD is authorized to collect this information by P. L. 479.48, Stat.1246, 12 USC 1701 et. seq.; and the Housing and Community Development Act of 1987, 42 USC 3543, to collect the Social Security Number (SSN). This report is authorized by law (24 CFR 207.1). It will be used, as a minimum, to make a determination of the financial and credit status of the respondent. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Providing the SSN is mandatory. Failure to provide any of the information may result in your disapproval of participation in this HUD program and/or delay action on your proposal.

Project Name:	Project Number:		
Project Location:	Name & Address of Person(s) making this Statement:		
	Date Prepared :	Date of Statement:	

Assets			Liabilities and Net Worth		
Cash on hand in banks Name of depository	Balance	Total	Accounts Payable	\$	
			Notes Payable	\$	
Depository and Account No. - Restricted		\$	Debts payable in less than one year (secured by mortgages on land and buildings)	\$	
Depository and Account No. - Unrestricted		\$	Debts payable in less than one year (secured by chattel mortgages or other liens on assets)	\$	
Accounts Receivable	\$		Other current liabilities: (describe)		
Less: Doubtful Accounts		\$			
Notes Receivable	\$				
Less: Doubtful Notes		\$			
Stocks and Bonds - Market Value (Schedule A - reverse side)	\$			\$	
Other Current Assets: (describe)			Total Current Liabilities:	\$	
			Debts payable in more than one year (secured by mortgages on land and buildings)	\$	
		\$	Debts payable in more than one year (secured by chattel mortgages or other liens on assets)	\$	
Total Current Assets	\$		Other liabilities (describe)		
Real Property — at net * (Schedule B — reverse side)	\$				
Machinery Equipment and Fixtures — at net	\$				
Life Insurance (Cash value less loans)	\$				
Other Assets (describe)				\$	
			Total Liabilities	\$	
		\$	Net Worth	\$	
Total Assets	\$		Total Liabilities and Net Worth	\$	

\* Cost, including improvements, less depreciation.

Accounts and Notes Receivable	Partner (P)	Employee (E)	Relative (R)	or other (O)*	
Name (Indicate also P,E,R or O)*	Address			Maturity Date	Amount
Name (Indicate also P,E,R or O)*	Address			Maturity Date	Amount
Name (Indicate also P,E,R or O)*	Address			Maturity Date	Amount
Name (Indicate also P,E,R or O)*	Address			Maturity Date	Amount
Name (Indicate also P,E,R or O)*	Address			Maturity Date	Amount

<b>Life Insurance</b>	Face Value	Beneficiary
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<b>Delinquencies</b> (starting with Federal Indebtedness)		
Type Liability	Amount	Circumstances
Type Liability	Amount	Circumstances
Type Liability	Amount	Circumstances
Type Liability	Amount	Circumstances
Type Liability	Amount	Circumstances

Accounts and Notes Payable	Partner (P)	Employee (E)	Relative (R)	or other (O)*	
Name (Indicate also P,E,R or O)*	Address			Amount	Maturity Date
Name (Indicate also P,E,R or O)*	Address			Amount	Maturity Date
Name (Indicate also P,E,R or O)*	Address			Amount	Maturity Date
Name (Indicate also P,E,R or O)*	Address			Amount	Maturity Date
Name (Indicate also P,E,R or O)*	Address			Amount	Maturity Date

<b>Pledged Assets</b>		
Type Pledged	Amount	Offsetting Liability
Type Pledged	Amount	Offsetting Liability
Type Pledged	Amount	Offsetting Liability
Type Pledged	Amount	Offsetting Liability
Type Pledged	Amount	Offsetting Liability

**Legal Proceedings:** (If any legal proceedings have been instituted by creditors, or any unsatisfied judgments remain on record, give full details starting with any unresolved Federal Indebtedness.)

Schedule A — Stocks and Bonds (Note: If more space is required use a separate sheet of paper.)

Description	Number of Shares	Current Market Value (At date of this Statement)	If Listed, Name Exchange

Schedule B — Real Property (Indicate Private Residence, if any)

Location and Description of Land and Buildings Owned	Age	Original Cost	Market Value	Assessed Value	Mortgaged For	Insured For
Totals						

Title (The legal and/or equitable title to all pieces of the above-described real estate is solely in my name, except as follows.)

Location of Real Property:	Name of Title Holders:

Bank and/or Trade References

Name & Address:	Account Numbers:

Other Information/Remarks

I/We hereby certify that the foregoing figures and the statements contained here, submitted to obtain mortgage insurance under the National Housing Act, are true and give a correct showing of my/our financial condition as of this date.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name(s) & Signature(s):*	Social Security Number(s) :	Date Signed:

\* For married individuals, the signature and Social Security Number of the spouse is required. This signature also authorizes the acceptance of the Criminal Certification and allows consideration of the funds indicated herein for the HUD insured project.

# Affirmative Fair Housing Marketing Plan

**U.S. Department of Housing  
and Urban Development**  
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013  
(exp. 11/30/2006)

1a. Applicant's Name, Address (including city, state & zip code) & Phone Number	1c. Project/Application Number	1d. Number of Units
	1e. Price or Rental Range From \$ To \$	1f. For Multifamily Housing Only <input type="checkbox"/> Elderly <input type="checkbox"/> Non-Elderly
	1g. Approximate Starting Dates (mm/dd/yyyy) Advertising	
	Occupancy	

1b. Project's Name, Location (including city, State and zip code)	1h. Housing Market Area	1i. Census Tract
	1j. Managing/Sales Agent's Name & Address (including City, State and Zip Code)	

<b>2. Type of Affirmative Marketing Plan</b> (check all that apply)  <input type="checkbox"/> MFH Plan <input type="checkbox"/> New <input type="checkbox"/> Updated <input type="checkbox"/> SFH Plan <input type="checkbox"/> White (non-minority) Area <input type="checkbox"/> Minority Area <input type="checkbox"/> Mixed Area (with _____ % minority residents)	<b>3. Direction of Marketing Activity</b> (Indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts)  <input type="checkbox"/> White <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Families with Children
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**4a. Marketing Program: Commercial Media** (Check the type of media to be used to advertise the availability of this housing)

☐ Newspapers/Publications   
 ☐ Radio   
 ☐ TV   
 ☐ Billboards   
 ☐ Other (specify)

Name of Newspaper, Radio or TV Station	Group Identification of Readers/Audience	Size/Duration of Advertising

**4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster**

(1) Will brochures, letters, or handouts be used to advertise? ☐ Yes    ☐ No    If "Yes", attach a copy or submit when available.

(2) For project site sign, indicate sign size \_\_\_\_\_ x \_\_\_\_\_; Logo type size \_\_\_\_\_ x \_\_\_\_\_. Attach a photograph of project sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the ☐ Sales/Rental Office    ☐ Real Estate Office    ☐ Model Unit    ☐ Other (specify)

4c. **Community Contacts.** To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below that are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted or to be Contacted
Address & Phone Number	Method of Contact		Indicate the specific function the Group/Organization will undertake in implementing the marketing program

**5. Future Marketing Activities** (Rental Units Only) Mark the box(s) that best describe marketing activities to fill vacancies as they occur after the project has been initially occupied.

☐ Newspapers/Publications      ☐ Radio      ☐ TV  
☐ Brochures/Leaflets/Handouts  
☐ Site Signs      ☐ Community Contacts      ☐ Other(specify)

**6. Experience and Staff Instructions** (See instructions)

6a. Staff has experience.      Yes      No

6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

7. **Additional Considerations** Attach additional sheets as needed.

8. **Review and Update** By signing this form, the applicant agrees to review their AFHM Plan every 5 years and update as needed to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only
Reviewing Official:	Approved _____ Disapproval _____ (Check One)
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)
Name (type or print)	Name (type or print)
Title	Title



Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The Affirmative Fair Housing Marketing (AFHM) Plan is needed to ensure that insured and subsidized developers are taking necessary steps to eliminate discriminatory practices involving Federally insured and subsidized housing. No application for any housing project or subdivision insured or subsidized under the Department of Housing and Urban Development's (HUD) housing programs can be funded without an approved AFHM Plan (See the "Applicability" section in the instructions below.) The responses are required to obtain or retain a benefit under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

**Applicability:** This form is to be completed by all insured or subsidized: (1) multifamily projects; and (2) single-family homebuilders that can not meet at least one of the following requirements: (a) is a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA); (b) has a HUD approved AFHM Plan; (c) has contracted with someone to market their houses who has an AFHM Plan or is a signatory to a VAMA; or (d) can self certify compliance with HUD's AFHM Regulations, maintain records of their AFHM activities and make the records available to HUD upon request. Single-family homebuilders that can meet at least one of the above requirements can complete block 11 on form HUD-92541-Builder's Certification of Plans, Specifications, & Site instead of completing the AFHM Plan. [See HUD Mortgage Letters 1995-18 dated April 28, 1995 and 2001-09 dated April 2, 2001]

Each applicant is required to carry out an affirmative program to attract prospective buyers or tenants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability, or familial status. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, or families with children. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales and rent-up period. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy or rent.

## INSTRUCTIONS

**Send completed form to:** your local HUD Office

**Attention:** Director, Office of Housing

**Part 1-Applicant and Project Identification.** Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting marketing activities to the groups targeted for special outreach and the anticipated date of initial occupancy (if unoccupied). Block 1h-the applicant should indicate the housing market area, in which the housing will be (is) located. Block 1i - the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Managing/Sales Agent (the agent can not be the applicant) is implementing the AFHM Plan.

### **Part 2-Type of Affirmative Marketing Plan:**

Applicants for multifamily housing projects should check both the MFH (Multifamily Housing) Plan and indicate the status of the AFHM Plan, e.g. new or update. As appropriate, single-family homebuilders who submit an AFHM Plan, should check the SFH (Single-family Housing) Plan box.

All Plans should indicate the racial composition of the housing market area in which the housing will be (is) located by checking one of the three choices. Single-family scattered site builder should submit an SFH Plan that reflects the racial composition of each the housing market area in which the housing will be (is) located. For example, if a builder plans to construct units in both minority and non-minority housing market areas, a separate AFHM Plan shall be submitted for each housing market area.

**Part 3-Direction of Marketing Activity.** Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be (is) located, disability or familial status of eligible population, public transportation routes, etc.

**Part 4-Marketing Program.** The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan as least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, and families with children) and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality, that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women's organizations, grass root faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD—Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

**Part 5-Future Marketing Activities.** Self-Explanatory.

**Part 6-Experience and Staff Instructions.**

- 6a. The applicant should indicate whether the sales/rental staff have had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to sales/rental staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

**Part 7-Additional Considerations.** In this section describe other groups to which the housing may be marketed and efforts not previously mentioned which are planned to attract persons least likely to apply for the housing. Such efforts may include outreach activities to grass root faith-based or other community based organizations, and other ethnic groups with limited English proficiency (LEP).

**Part 8-Review and Update.** By signing, the applicant assumes full responsibility for the AFHM Plans implementation and required reviews and updates. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

**Notice of Intent to Begin Marketing.** No later than 90 days prior to the initiation of sales or rental marketing activities, the applicant of an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

# Management Entity Profile

**U.S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0305  
(exp 09/30/2005)

See Public Reporting and Privacy Act statements on last page before completing this form

**Instructions:** The management entity may develop its own format for providing the information requested in this form. Independent fee managers and identity-of-interest management agents must provide all the information requested. Owner-managers and administrators of projects for the elderly must provide responses only to the asterisked items. They must also state whether they have previously managed insured and/or HUD-held projects and, if so, list such projects.

*1a. Name of Management Entity	*1b. Management Entity Type <input type="checkbox"/> Owner/Manager <input type="checkbox"/> Project Administrator <input type="checkbox"/> Independent Fee Agent <input type="checkbox"/> Identity-of-Interest Agent
--------------------------------	---

*1c. Employer Identification Number (EIN)	*1d. Organization Type <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other (specify) _____
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*2. Give names, titles and Social Security Numbers of firm's principals (e.g., general partner, president, treasurer, etc.)		
Name	Title	Social Security Number

3. Provide mailing addresses for the Company's home office and any branch offices involved in management of HUD-related multifamily projects. Specify the geographic area covered by each office.

*4. What year (yyyy) did the company begin managing:			5. Estimate what percent of company's activities involve management of:			
a. HUD-subsidized projects	b. HUD-related unsubsidized projects	c. Conventional projects	a. Conventional projects %	b. HUD-related projects %	c. Commercial space %	d. Other %

6a. How many of the following projects does the company manage? (Both rentals and cooperatives)						6b. How many of the projects included in 6a:	
HUD-unsubsidized projects		HUD-subsidized projects		HUD-owned projects		Have HUD-held mortgages	Are non-insured
units		units		units			

6c. Approximately what percent of the projects in 6a fall into the following categories:							
Elderly %	Family %	Owned by a non-profit or coop %	Core city %	Troubled neighborhood %	Suburban %	Rural area %	

7. Indicate where each of the following activities are administered. Use the following codes: C = central office; R = regional office; P = project site							
Bookkeeping	Landscaping	Maintenance	Purchasing	Tenant application	Certifications/recertifications	Regular monthly subsidy billings	Special claims subsidy billings

*8. How many of the company's full-time employees serve in the following supervisory or advisory roles? (Owner-managers and administrators of projects for the elderly should provide this information on project employees.)							
Engineers	Maintenance supervisors	Occupancy supervisors	Training specialists	Social service coordinators	Regional property managers	How many are minorities	What percentage are minority %

\*9. Identify any professional memberships, licenses, certificates or accreditations which are related to property management activities and are held by the company, company executives, or the employees considered in Item 8. (attach additional page(s) if necessary)

\*10. Describe any purchasing procedures you have implemented to control or reduce costs (e.g., bulk purchasing, paying early to take advantage of discounts, cost comparisons or bids, etc.)

\*11a. List any companies which regularly supply goods or services to your HUD-related projects and have an identity-of-interest with the management entity or its principals (e.g., officers, general partners). Specify the type of goods and services provided. (See paragraph 2 - 3D of HUD Handbook 4381.5 for a definition of the term "identity-of-interest.") If these companies do not provide goods/services to all your HUD-related projects, identify the projects that do not deal with these companies.

\*11b. Do any of the identity-of-interest companies listed in 11a. function as "pass-throughs" -- i.e., does the identity-of-interest company purchase goods or services from another party and pass those goods or services through to the project? For each pass-through arrangement:

- (1) Name the identity-of-interest company involved.
- (2) Explain how the identity-of-interest company's compensation is determined.
- (3) Explain why it is more advantageous for the project to use the pass-through arrangement than to purchase directly from the ultimate supplier.

\*12. What types of property management procedures or operating manuals are used by on-site or supervisory staff?

\*13. What types of recurring written reports are prepared on project operations (e.g., maintenance, move-in/outs, payables, comparisons of budgeted and actual expenses)? Specify who (by position title) prepares the report, frequency of the report, and who reviews the report.

\*14a. How frequently do company executives or supervisory staff visit the projects the company manages?

\*14b. Specify who (by position title) conducts the on-site visits or reviews.

\*15. If the company manages subsidized projects, identify by job title **who prepares and reviews** the HUD-required documents listed below. Specify the frequency of review.

	Prepares documents	Reviews documents	Frequency of review
a. Form HUD-50059, Initial Certifications			
b. Form HUD-50059, Recertifications			
c. Regular Monthly Subsidy Billings			
d. Special Claims Subsidy Billings			
e. Proposals to terminate tenant assistance payments			
f. Proposals to evict			
g. Monthly Accounting Reports (Forms HUD-93479, 80, 81)			
h. Form HUD-949, Civil Rights Tenant Characteristics/Occupancy Reports			

Agent Name	Date (mm/dd/yyyy)
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16. If applicable, describe how the home office supervises supervisory staff (e.g., property managers, occupancy specialists, maintenance supervisors), who operate out of branch offices.

\*17. Describe how the company trains its employees in the areas listed below. Discuss both on-going training and initial training provided when the employee is hired. Specify the frequency and duration of the training and who/what organization conducts the training. Discuss training for both supervisory and front-line staff.

a. Property management practices.

b. Financial and recordkeeping requirements.

c. Civil rights and fair housing laws.

d. Occupancy requirements in HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs (if the company manages subsidized projects).

\*18. Has an owner of a HUD-related project, at any time during the past three years, cancelled a property management contract held by the company?

Yes ☐ No ☐

During the past three years, how many HUD-related projects have not renewed their management contracts with the company?  
(Number) \_\_\_\_\_

Explain the reasons for any cancellations or failure to renew and identify the projects involved.

19a. List **all** HUD Field Offices that have jurisdiction over the projects included in 6a. For companies that operate in more than five Field Office jurisdictions, identify the five jurisdictions where the greatest number of your HUD-related projects are located.

19b. List **all** State Agencies in whose jurisdiction you have managed or are managing State Agency-financed projects. For companies that operate in more than five States, identify the five where the greatest number of your State Agency projects are located.

19c. List **all** FmHA offices in whose jurisdiction you have managed or are managing FmHA projects. For companies that operate in more than five FmHA jurisdictions, identify the five where the greatest number of your FmHA projects are located.

**Certification:** The undersigned hereby certifies that the statements and information contained in this profile are true and correct.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signed by Management Entity Representative

Signature	Date (mm/dd/yyyy)
Print Name	Title

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

**Privacy Act Statement:** The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937, as amended, and the Social Security Numbers (SSN) by the Housing and Community Development Act of 1987, 42 U.S.C. 3543. The information concerning management documents for Multifamily Housing projects is being collected by HUD to: (1) determine the acceptability of proposed management agents, (2) ensure compliance with program requirements, (3) provide leverage for removing poor managers, and (4) recover excessive management fees. The information is being used as a management tool to avoid the misuse of HUD subsidies and defaults against the FHA insurance fund by management agents. Specifically, the information will provide for improved project management by ensuring: that subsidy funds are administered in accordance with HUD rules, project expenses are reasonable, maintenance of documented records, and use of project funds only in accordance with HUD requirements. The SSN is used as a unique identifier. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide the information could result in HUD's denial of proposed management or fees or cancellation of management contracts for noncompliance with HUD procedures. Providing the SSN is mandatory, and failure to provide it could affect your participation in HUD programs.

# Project Owner's Certification for Owner-Managed Multifamily Housing Projects

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0305  
(exp. 09/30/2005)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name	FHA project number	Date (mm/dd/yyyy)
City, State		Section 8 number

Acting on behalf of \_\_\_\_\_,  
the Project Owner, I make the following certifications and agreements  
to the United States Department of Housing and Urban Development  
(HUD) regarding management of the above project.

1. I certify that:

a. I will comply with HUD requirements and contract obligations, execute an acceptable management agreement, and agree that no payments have been made to me (or agent thereof) in return for awarding the management contract; and, such payments will not be made in the future.

b. No management agent will be hired without HUD's prior written approval. Changes in the fee will be implemented only in accordance with HUD's requirements.

(1) Fees:

- (a) \_\_\_\_\_ % of residential income collected;  
(b) \_\_\_\_\_ % of commercial income collected;  
(c) \_\_\_\_\_ % of miscellaneous income collected (This percentage must not exceed the percentage in (1)(a) above).  
(d) Special Fees No ☐ Yes ☐ If yes, describe in paragraph 4 of Attachment 1.

(2) Calculation of Estimated Yield (See Attachment 1.)

c. I will disburse management fees from project income only after:

- (1) We have submitted this Certification to HUD;  
(2) HUD has approved us to manage this project; **and**  
(3) HUD has approved the management fee (if required).

d. I understand that no fees may be earned or paid after HUD has terminated my management of the project.

e. If HUD notifies me of an excessive management fee, I will within 30 days of HUD's notice either:

- (1) Reduce the compensation to an amount HUD determines to be reasonable and  
(2) Require the administrator to refund to the project all excessive fees collected, or  
(3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.

f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,

- (1) I understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.  
(2) I agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to my request.

2. I will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.

3. I agree to:

a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any subsidy contract or Workout/Modification Agreement.

b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.

4. I agree to:

- a. Ensure that **all** expenses of the project are reasonable and necessary.  
b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.  
c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.  
d. Credit the project with **all** discounts, rebates or commissions (including any sales or property tax relief granted by the state or local government) received.  
e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.  
f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.  
g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds.  
h. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.  
i. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.

5. I certify that the types of insurance policies checked below are in force and will be maintained to the best of my ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of a loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

- a. ☐ Fidelity bond or employee dishonesty coverage for  
(1) all principals of the ownership entity and;  
(2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.  
b. ☐ Hazard insurance coverage in an amount required by the projects Mortgage.  
c. ☐ Public liability coverage.

6. I agree to:

- a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.  
b. Establish and maintain the project's accounts, books and records in accordance with:  
(1) HUD's administrative requirements;  
(2) generally accepted accounting principles; and  
(3) in a condition that will facilitate audit.

7. I agree that:

- a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
- b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect:

- (1) any records which relate to the project's purchase of goods or services;
- (2) the records of the owner and the agent; and,
- (3) the records of companies having an identity-of-interest with me.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." I agree to request such records within seven (7) days of receipt of HUD's request to do so.

8. I Understand that:

- a. HUD has the right to terminate this self-management arrangement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed me a written notice of its desire to terminate my authority to manage the project.
- b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate my authority to manage the project immediately upon HUD's issuance of a notice of termination.
- c. If HUD exercises this right of termination, I agree to promptly select an agent that is acceptable to HUD.
- d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.
- e. If my authority to manage the project is terminated, I agree to immediately turn over to the new agent all of the project's cash, trust accounts investments and records.

9. I agree to submit a new Management Certification to HUD before taking any of the following actions:

- a. Charge fees different from the percentage fees and any special fees specified in Paragraph 1 of this Certification:
- b. Permit an entity other than me to operate the project.
- c. Permit an entity other than me to collect a fee.

10. I agree to:

- a. Comply with all Federal, state, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
- b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.
- c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
- d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The owner understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
- e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).
- f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.

g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968 and its implementing regulations. I understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

11. I certify that I have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or b.)

- a. ☐ No identity-of-interest exists among me and any individuals or companies that regularly do business with the project.
- b. ☐ Only those individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with me.

12. I certify and agree:

- a. that the Management Entity Profile, dated (mm/dd/yyyy) \_\_\_\_\_, is accurate and current as of the date of this Certification.
- b. To submit an updated profile whenever there is a significant change in the organization or operations of the management entity of the project.

13. The items checked below are attached:

- ☐ New Management Entity Profile
- ☐ Updated Management Entity Profile
- ☐ Attachment 1, Calculation of Estimated Yields from Proposed Management Fees
- ☐ Other (Specify) \_\_\_\_\_

**Warnings:**

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a nonsurplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for :

(1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.

(2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

**By Project Owner: Name**

\_\_\_\_\_

title

\_\_\_\_\_

signature

\_\_\_\_\_

date (mm/dd/yyyy)



Project Name	FHA Project Number	Date (mm/dd/yyyy)
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**HUD Field Office Use Only (Check all boxes that apply)**

An up-front review of the management fee was: ☐ Required ☐ Not required

☐ The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.

☐ The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are **not** approved.

The attached letter, dated (mm/dd/yyyy) \_\_\_\_\_, explains the reasons for this disapproval and sets forth the allowable management fees.

☐ The residential management fee **Percentage** is held harmless at \_\_\_\_\_%.

☐ The residential management fee **Yield** is held capped at \$\_\_\_\_\_PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

\* This should be the same date the rent increase is effective.

\*\* 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

## Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name		FHA Project Number		Date (mm/dd/yyyy)
<b>1. Residential Fee</b> a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule) \$ b. Line 1a times 0.95 * \$ c. Percentage fee % d. Monthly residential fee yield (Line 1b times 1c) \$ e. Total number of residential units (include rent-free units.) units f. Residential fee yield per unit per month (Line 1d divided by 1e.) \$ PUPM		<b>2. Commercial Fee</b> (Describe commercial space, how it is used and what services management provides.) a. Monthly commercial rent potential (from Part E of the most recent HUD-approved Rent Schedule) \$ b. Percentage fee % c. Commercial fee yield (Line 2a times 2b) \$		
* <b>Note:</b> Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.				
<b>3. Miscellaneous Fee</b> a. Percentage fee (not to exceed the residential income fee percentage in Line 1c) % b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will <b>not</b> be paid.				

### 4. Special Fees

Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

**Project Owner's/Management Agent's Certification  
for Multifamily Housing Projects  
for Identity-of-Interest  
or Independent Management Agents**

**U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner**

OMB Approval No. 2502-0305  
(exp. 09/30/2005)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name	FHA project number	Date (mm/dd/yyyy)
City, State		Section 8 number

Acting on behalf of \_\_\_\_\_,  
the Project Owner (Owner), and \_\_\_\_\_,  
the Management Agent (Agent), we make the following certifications and  
agreements to the United States Department of Housing and Urban Development  
(HUD) regarding management of the above project.

1. We certify that:

a. We will comply with HUD requirements and contract obligations, and agree that no payments have been made to the owner in return for awarding the management contract to the agent, and that such payments will not be made in the future.

b. We have executed or will execute, within 30 days after receiving the approval(s) required by paragraph b below, a Management Agreement for this project. The Agreement provides / will provide that the Management Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with HUD's requirements

(1) Term of Agreement: \_\_\_\_\_

(2) Fees:

(a) \_\_\_\_\_ % of residential income collected;

(b) \_\_\_\_\_ % of commercial income collected;

(c) \_\_\_\_\_ % of miscellaneous income collected

(This percentage must not exceed the percentage in (2)(a) above).

(d) Special Fees No ☐ Yes ☐ If yes, describe in paragraph 4 of Attachment 1.

(3) Calculation of Estimated Yield (See Attachment 1.)

c. We will disburse management fees from project income only after:

(1) We have submitted this Certification to HUD;

(2) HUD has approved the Agent to manage this project; **and**

(3) HUD has approved the management fee (if required).

d. We understand that no fees may be earned or paid after HUD has terminated the Management Agreement.

e. If HUD notifies me of an excessive management fee, I, the Agent, will within 30 days of HUD's notice either:

(1) Reduce the compensation to an amount HUD determines to be reasonable and

(2) Require the administrator to refund to the project all excessive fees collected, or

(3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.

f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,

(1) We understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.

(2) We agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to our request.

2. We will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.

3. We agree to:

a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any Subsidy Contract or Workout / Modification Agreement.

b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.

c. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.

d. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.

4. The Agent agrees to:

a. Ensure that **all** expenses of the project are reasonable and necessary.

b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.

c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.

d. Credit the project with **all** discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.

e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.

f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.

g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds unless the owner specifically directs the Agent not to invest those other funds.

5. We certify that the types of insurance policies checked below are in force and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

a. ☐ Fidelity bond or employee dishonesty coverage for

(1) all principals of the Agent and;

(2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.

b. ☐ Hazard insurance coverage in an amount required by the project's Mortgage.

c. ☐ Public liability coverage with the Agent designated as one of the insured.

6. The Agent agrees to:

a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.

b. Establish and maintain the project's accounts, books and records in accordance with:

(1) HUD's administrative requirements;

(2) generally accepted accounting principles; and

(3) in a condition that will facilitate audit.

7. We agree that:

a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.

b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect :

- (1) any records which relate to the project's purchase of goods or services,
- (2) the records of the Owner and the Agent, and
- (3) the records of companies having an identity-of-interest with the owner and the agent.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner or Agent), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." The owner agrees to request such records within seven (7) days of receipt of HUD's request to do so.

8. We certify that any Management Agreement does not contain the type of "hold harmless" clause prohibited by HUD.

9. We agree to include the following provisions in the Management Agreement and to be bound by them:

- a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed the owner a written notice of its desire to terminate the Management Agreement.
- b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.
- c. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.
- d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.
- e. If the Management Agreement is terminated I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

10. I, the Owner, agree to submit a new Management Certification to HUD before taking any of the following actions:

- a. Authorizing the agent to collect a fee different from the percentages fees and any special fees specified in Paragraph 1 of this Certification:
- b. Changing the expiration date of the Management Agreement.
- c. Renewing the Management Agreement.
- d. Permitting a new Agent to operate the project.
- e. Permitting a new Agent to collect a fee.
- f. Undertaking self-management of the project.

11. We agree to:

- a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, , Executive Order 11063 and all regulations implementing those laws.
- b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.
- c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
- d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
- e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).
- f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
- g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.
- h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968

and its implementing regulations. I, the Agent, understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

12. We certify that we have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or boxes b and / or c.)

- a. ☐ No identity-of-interest exists among the Owner, the Agent and any individuals or companies that regularly do business with the project.
- b. ☐ Only individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with the Agent.
- c. ☐ Only the individuals and companies listed below have an identity-of-interest with the Owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

13. I, the Agent, certify & agree:

- a. that the Management Entity Profile, dated (mm/dd/yyyy) \_\_\_\_\_, is accurate and current as of the date of this Certification.
- b. To submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

14. The items checked below are attached:

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Attachment 1—Calculation of Est. Yields from Proposed Mgt Fees |
| <input type="checkbox"/> | New Management Entity Profile                                  |
| <input type="checkbox"/> | Updated Management Entity Profile                              |
| <input type="checkbox"/> | Other (Specify) _____  |

#### Warnings:

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a nonsurplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for :

- (1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.
- (2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

#### By Project Owner: Name

\_\_\_\_\_

title

\_\_\_\_\_

signature

\_\_\_\_\_

date (mm/dd/yyyy)

#### By Management Agent: Name

\_\_\_\_\_

title

\_\_\_\_\_

signature

\_\_\_\_\_

date (mm/dd/yyyy)

Project Name	FHA Project Number	Date (mm/dd/yyyy)
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**HUD Field Office Use Only (Check all boxes that apply)**

An up-front review of the management fee was: ☐ Required ☐ Not required

☐ The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.

☐ The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are **not** approved.  
The attached letter, dated (mm/dd/yyyy) \_\_\_\_\_, explains the reasons for this disapproval and sets forth the allowable management fees.

☐ The residential management fee **Percentage** is held harmless at \_\_\_\_\_%.

☐ The residential management fee **Yield** is capped at \$\_\_\_\_\_PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

\* This should be the same date the rent increase is effective.

\*\* 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

**Attachment 1—Calculation of Estimated Yields from Proposed Management Fees**

Project Name:		FHA Project No.:	Date:
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<b>1. Residential Fee</b>  a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule) \$  b. Line 1a times 0.95 * \$  c. Percentage fee %  d. Monthly residential fee yield (Line 1b times 1c) \$  e. Total number of residential units (include rent-free units.) units  f. Residential fee yield per unit per month (Line 1d divided by 1e.) \$ PUPM  * <b>Note:</b> Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections HUD-approved Rent percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.	<b>2. Commercial Fee</b> (Describe commercial space, how it is used and what services management provides.)  <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 80%;">a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)</td><td style="width: 20%;">\$</td></tr><tr><td>b. Percentage fee</td><td>%</td></tr><tr><td>c. Commercial fee yield (Line 2a times 2b)</td><td>\$</td></tr></table> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 80%;"><b>3. Miscellaneous Fee</b> a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)  b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will <b>not</b> be paid.</td><td style="width: 20%; text-align: center; vertical-align: bottom;">%</td></tr></table>	a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$	b. Percentage fee	%	c. Commercial fee yield (Line 2a times 2b)	\$	<b>3. Miscellaneous Fee</b> a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)  b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will <b>not</b> be paid.	%
a. Monthly commercial rent potential (from Part E of the most recent HUD approved Rent Schedule)	\$								
b. Percentage fee	%								
c. Commercial fee yield (Line 2a times 2b)	\$								
<b>3. Miscellaneous Fee</b> a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)  b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will <b>not</b> be paid.	%								

**4. Special Fees**

Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)